SENATE—*Thursday, June 7, 1973*

The Senate met at 11:30 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Reverend Thomas A. Stone, Ph. D., associate minister, the National Presbyterian Church, Washington, D.C., offered the following prayer:

Eternal God, who art the God of all time and Creator Lord of all space, this day give us to forget no one in our prayers to Thee.

In this place we pray for all branches of the Government of this country and all citizens over which it rules in Thy name attempting to be just. As tasks are faced, may they be performed by Thy people as very channels of Thy grace that Thy blessing may be upon their acts and that we may be able to commit ourselves at the end of our time into Thy hands. Praying for our leaders, we likewise pray for the servants of the people on land, at sea, and in the air. Thus we pray Thee to rule in and over our lives so that from the least of us to the greatest we may see ourselves within Thy purpose and supported by Thy love. Teach us to support one another so that we give unto others that for which we pray.

Just as we have prayed for our people, we pray for all the people of Thy hand in countries throughout the world. May they know us as a nation whose god is the Lord.

And thus may Thy benediction rest upon Thy whole creation, seeing it is very good. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, June 6, 1973, be dispensed with.

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

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

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

H.R. 1321. An act for the relief of Mrs. Doninga Pettit;

H.R. 1322. An act for the relief of Jay Alexis Caligdong Siaotong;

H.R. 1462. An act for the relief of John R. Poe; and

H.R. 7935. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act, and for other purposes.

HOUSE BILLS REFERRED

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

H.R. 1321. An act for the relief of Mrs. Doninga Pettit;

H.R. 1322. An act for the relief of Jay Alexis Caligdong Siaotong; and

H.R. 1462. An act for the relief of John R. Poe; referred to the Committee on the Judiciary.

H.R. 7935. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendars Nos. 182 and 183.

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

RONALD K. DOWNIE

The bill (S. 802) for the relief of Ronald K. Downie was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States is authorized to settle and adjust the claim of Ronald K. Downie, of Oklahoma City, Oklahoma, for the amount to which he would be entitled under section 5724a(a)(4), title V of the United States Code, and the regulations issued thereunder without regard to section 4.1d of the Bureau of the Budget Circular Numbered A–56, revised October 12, 1966, representing expenses he incurred in selling his residence in Virginia and buying another in Fremont, California, incident to his transfer in June of 1967 as an employee of the Federal Aviation Administration from Leesburg, Virginia, to Fremont, California, for the convenience of the Government.

SEC. 2. No part of the amount disbursed in the first section of this Act shall be paid or delivered to or received by any agent or attorney on account or services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. MANSFIELD. Mr. President, I ask of one year, and (B) any member appointed RECORD an excerpt from the report (No. 93–193), explaining the purposes of the measure.

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

EXCERPT

PURPOSE OF THE BILL

The purpose of the proposed legislation is to authorize the Comptroller General to adjust and settle the claim of Mr. Ronald K. Downie for expenses he incurred in selling his residence in Virginia and buying another in California incident to his transfer in June of 1967 as an employee of the FAA.

STATEMENT

Mr. Ronald K. Downie, an employee of the Federal Aviation Administration, was transferred in June of 1967 from the Washington Air Route Traffic Control Center in Leesburg, Va., to the Oakland ARTCC in Fremont, Calif. When he was advised of this transfer, Mr. Downie was given only 10 days notice prior to his departure. He leased his home to a fellow employee for a 1-year period with an option-to-buy clause. The lease was effective on July 1, 1967, and would expire on June 30, 1968.

Mr. Downie purchased a home in Fremont, Calif., on May 1, 1968, with the final settlement postponed until the closure of the sale of his Virginia home. Settlement procedures on the sale of the Virginia house were not completed until June 24, 1968, through the mail; therefore, settlement on the Fremont home was not made until July 2, 1968.

On July 2, 1968, when he applied for reimbursement for his expenses on the Virginia house, his request was denied. The basis for the refusal of the claim was FAA Order 1520.3, dated October 21, 1966, which was in effect at the time of Mr. Downie's transfer.

Mr. Downie was obviously mistaken as to the time limit on purchasing a new residence. Section 10a(4) of FAA Notice 1520.3 provides that the agency will reimburse an employee for expenses incurred in the sale of one residence at his old official station; in the purchase of one dwelling at his new official station; or in the settlement of an unexpired lease at his place of residence at the old official station provided that the settlement dates for the sale and purchase or lease termination transactions are not later than 1 year after the date on which the employee reported for duty at the new official station. An appropriate extension of time may be authorized by a duly authorized official when settlement is necessarily delayed because of litigation.

Mr. Downie stresses that the FAA regulation was not clear with respect to the time limits due to a typographical error in section 10a(4) which resulted in a reading of "settlement dates for the sale and purchase *of* lease termination transactions" as opposed to the FAA's intended reading of "settlement dates for the sale and purchase *or* lease termination transactions."

The General Counsel of the Department of Transportation admits that Mr. Downie's misinterpretation of section 10a(4) of notice 1520.3 was not unreasonable.

Mr. Downie's claim would qualify under the current Office of Management and Budget

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circular which allows agencies to extend, up to an additional year, the 1-year limitation to employees who, due to "circumstances justifying the exception," could not settle their real estate sale, purchase, or lease termination arrangements within the initial 1-year period. Had this amendatory language been in effect at the time of Mr. Downie's real estate transactions, he could have requested from the FAA an extension beyond the 1-year limitation. Unfortunately, however, the new OMB directive could not legally be made retroactive and therefore could not be applied to Mr. Downie, whose settlement dates were more than 1 year after he reported for duty to his new official station. The FAA, therefore, has no authority to reverse its previous denials of Mr. Downie's claims. The only recourse for Mr. Downie is through private legislation.

The General Accounting Office in its report on the bill made the following comment and recommendation:

"Ordinarily we do not favor legislation which authorizes payment to an employee for amounts in excess of his entitlement under pertinent regulations because such legislation is preferential in nature in that it favors the employee involved over the many others whose claims under substantially similar circumstances have been denied. However, in view of the particular circumstances here involved we see no objection to enactment of S. 995.

"We have no information as to the expenses included in the $2,412.60 specified in the bill. Thus, in order to insure that Mr. Downie will receive reimbursement of those expenses allowable under the applicable regulations except for the 1-year limitation, we suggest that the language of the first section be revised as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States is authorized to settle and adjust the claim of Ronald K. Downie, of Oklahoma City, Oklahoma, for the amount to which he would be entitled under section 5724a(a)(4), title V of the United States Code and the regulations issued thereunder without regard to section 4.1d of Bureau of the Budget Circular No. A-56, revised October 12, 1966, representing expenses he incurred in selling his residence in Virginia and buying another in Fremont, Calif., incident to his transfer in June of 1967 as an employee of the Federal Aviation Administration from Leesburg, Va., to Fremont, Calif., for the convenience of the Government.'"

After considering the reports of the Department of Transportation and the General Accounting Office, the committee believes that legislative relief is appropriate in this case. Accordingly, it is recommended that the bill do pass.

UHEL D. POLLY

The Senate proceeded to consider the bill (S. 71) for the relief of Uhel D. Polly which had been reported from the Committee on the Judiciary with an amendment on page 1, line 9, after the word "patent.", strike out "This bill for the relief of Uhel D. Polly shall not bar any person from having intervening rights if this relief is granted." and insert "Nothing contained in this Act shall bar any person from exercising any rights which vested prior to the effective date of this Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the patent laws of the United States, with respect to United States patent numbered 3,459,614 (Uhel D. Polly, of Fort Lauderdale, Florida, patentee) that the period in regard to public use or sale in this country as stated in section 102(b), title 35 of the United States Code be enlarged to two years prior to the date of the application of aforesaid patent. *Nothing contained in this Act shall bar any person from exercising any rights which vested prior to the effective date of this Act.*

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93-194), explaining the purposes of the measure.

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

EXCERPT

PURPOSE OF AMENDMENT

The amendment is a perfecting amendment relating to the preservation of any intervening rights which vested prior to the enactment of this legislation.

PURPOSE

Section 102 of title 35 provides that a patent application on an invention must be filed within 1 year after public use or sale in the United States. S. 71 would enlarge the period during which public use may occur from 1 to 2 years with respect to the subject patent. The remedy is required due to the fact that the patent agent of the applicant was derelict in his duties and as a result the patent resulting from the application apparently is invalid.

STATEMENT

The patentee Uhel D. Polly, of the subject patent, retained Ernest C. Edge at a time well within the limitation of 1 year imposed by title 35, United States Code, section 102 (b). Ernest C. Edge prepared a patent application and prepared it for Uhel D. Polly's execution on March 2, 1964, at which date it was duly executed. All this occurred well within the 1-year limitation on public use and sale. An averment on the part of Ernest C. Edge that the patent application had been submitted to the Patent Office by March 28, 1964, is stated in an affidavit of Mr. Lewis M. Evans. Throughout the dealings with Ernest C. Edge, there was no reason not to rely on the fact that Ernest C. Edge was carrying out his responsibilities in accordance with the authorization given by the applicant and/or his assignee. It is the practice of the Patent Office, within a period of a few weeks, after filing of a new patent application, to forward a filing receipt as acknowledgement of receipt of a complete new patent application. The filing receipt and subsequent documents from the Patent Office were sent to Ernest C. Edge because the rules of the Patent Office require that all communications intended for the applicant be sent to the attorney or agent of record not to the individual applicant or assignee. Therefore, the false serial number provided for the stated March 28, 1964, filing would not have been questioned by either the applicant or assignee.

In fact, Ernest C. Edge defaulted on his responsibilities in spite of the fact that he had been duly registered to practice before the Patent Office. The application of Uhel D. Polly was, in fact, not filed until March 15, 1965, 1 year and 13 days after execution. This additional period of time exceeded the limitation on public use and sale imposed by title 35, United States Code, section 102(b). It is the usual practice to require a reexecution of a patent application if the execution date is more than 6 weeks prior to the filing of a patent application. It may be assumed that Ernest C. Edge knew about this requirement as a review of the file of the subject patent reveals that the date of execution had been modified so that the digit "4" of 1964 had been changed to "5", and that the vestiges of the "4" are still discernible. By this change, the Patent Office was not alerted to the true facts that the application had in fact been executed more than 6 weeks prior to filing of the patent application. As a result, Ernest C. Edge did not have to go back to Uhel D. Polly for reexecution, which would have given an indication to Uhel D. Polly that the application papers had not actually been filed as purported by Ernest C. Edge. While a reexecution would not have corrected the untimeliness of the application, the facts are clear that Ernest C. Edge was aware that he was in error in not filing the application for a period of 1 year and 13 days. An additional evidence of a pattern, it is further understood that Ernest C. Edge neglected to file a patent application for one Frederick Weseman, even after the payment therefor had been made and even after averments were given to the said Frederick Weseman that a patent application had been filed. As the condition precedent of title 35, United States Code, section 102(b) had not occurred, Frederick Weseman's patent application was timely filed at a later date. During the latter part of 1968, Ernest C. Edge reportedly suddenly absconded with files belonging to an attorney with whom he was sharing office space. Ernest C. Edge was officially removed from practice before the Patent Office on April 3, 1969. At the present time, his whereabouts are unknown and he cannot be found even after diligent search.

CONCLUSION

The committee recognizes that the United States cannot guarantee the competence or integrity of patent attorneys or agents. However, the committee recommends relief in this instance where there has been an obvious and deliberate breach of the responsibilities of the patent agent and the patent applicant had no reasonable way of protecting himself from the failures of the agent. The committee's favorable action in this extraordinary case should not be regarded as a change in the committee's general opposition to private patent relief bills, particularly those providing for exceptions to the general requirements of title 35.

EXECUTIVE SESSION

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

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

NOTIFICATION TO PRESIDENT OF NOMINATIONS CONFIRMED YESTERDAY

Mr. MANSFIELD. Second, Mr. President, I ask unanimous consent that the President now be notified of the nominations which were confirmed by the Senate on yesterday.

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

DEPARTMENT OF LABOR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of today's Executive Calendar beginning with Department of Labor.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will state the first nomination.

The second assistant legislative clerk read the nomination of Carmen Maymi, of the District of Columbia, to be Director of the Women's Bureau, Department of Labor.

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

NATIONAL MEDIATION BOARD

The second assistant legislative clerk read the nomination of David H. Stowe, of Maryland, to be a member of the National Mediation Board.

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

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

The second assistant legislative clerk read the nomination of Robert L. Du Pont, of Maryland, to be Director of the Special Action Office for Drug Abuse Prevention.

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

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The second assistant legislative clerk proceeded to read sundry nominations in the National Council on Educational Research.

Mr. JAVITS. Mr. President, as the Senate moves to confirm the 15 members of the National Council on Educational Research appointed by the President in March, I am pleased to include in my remarks brief biographical information on each nominee together with the text of the provision of the Education Amendments of 1972, Public Law 92–318, establishing the Council and describing its responsibilities. The National Institute of Education holds much promise of fulfilling the goal contemplated by the Congress in establishing it—that of helping the Federal Government fulfill its responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process.

I urge the confirmation of the nominees to the Council.

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

THE WHITE HOUSE

Members of the National Council on Educational Research, for the terms indicated.

FOR A TERM OF 1 YEAR

Dr. James S. Coleman, of Baltimore, Maryland; Professor of Social Relations, Johns Hopkins University, Baltimore, Maryland.

Vincent J. McCoola, of Camp Hill, Pennsylvania; Director, Office of Aid to Nonpublic Education, State Department of Education, Harrisburg, Pennsylvania.

Vera M. Martinez, of Albany, California; Student, Graduate School of Public Policy, University of California at Berkeley, Berkeley, California.

Carl H. Pforzheimer, Jr., of Purchase, New York; Senior Partner, Carl H. Pforzheimer and Company, and President, Carl and Lily Pforzheimer Foundation, Inc., New York, New York.

Dr. Wilson Riles, of Sacramento, California; State Superintendent of Public Instruction, Sacramento, California.

FOR A TERM OF 2 YEARS

Dr. William O. Baker, of Morristown, New Jersey; President, Bell Telephone Laboratories, Murray Hill, New Jersey.

Dr. T. H. Bell, of Salt Lake City, Utah; Superintendent Granite School District, Salt Lake City, Utah.

Dr. Dominic J. Guzzetta, of Akron, Ohio; President, University of Akron, Akron, Ohio.

Dr. Charles A. LeMaistre, of Austin, Texas; Chancellor, University of Texas System, Austin, Texas.

W. Allen Wallis, of Rochester, New York; Chancellor, University of Rochester, Rochester, New York.

FOR A TERM OF 3 YEARS

Ralph M. Besse, of Shaker Heights, Ohio; Attorney, Squire, Sanders and Dempsey, Cleveland, Ohio.

Dr. John E. Corbally, Jr., of Urbana, Illinois, President, University of Illinois, Urbana, Illinois.

Patrick E. Haggerty, of Dallas, Texas; Chairman of the Board, Texas Instruments, Inc., Dallas, Texas.

Mrs. Ruth Hurd Minor, of Roselle, New Jersey; Principal, Locust Street School, Roselle, New Jersey.

Dr. John C. Weaver, of Madison, Wisconsin; President, University of Wisconsin, Madison, Wisconsin.

The President also announced his intention to designate Mr. Haggerty as Chairman of the Council upon his confirmation by the Senate. Upon the expiration of the initial, staggered one and two-year terms, members are to serve terms of three years. The Director of the Director of the National Institute of Education serves as an ex officio member of the Council.

The National Council on Educational Research was established by the Education Amendments of 1972 (PL 92–318), which also established the National Institute of Education in the Department of Health, Education and Welfare. The purpose of the Council is to establish policies for the Institute and advise the Assistant Secretary for Education and the Director of the NIE on development of the Institute's programs. The Council is to report annually to the President and the Congress.

SEC. 405(c)(1) The Council shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate, the Director, and such other ex officio members who are officers of the United States as the President may designate. Eight members of the Council (excluding ex officio members) shall constitute a quorum. The Chairman of the Council shall be designated from among its appointed members by the President. Ex officio members shall not have a vote on the Council.

(2) The term of office of the members of the Council (other than ex officio members) shall be three years, except that (A) the members first taking office shall serve as designated by the President, five for terms of three years, five for terms of two years, and five for terms of one year, and (B) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. Any appointed member who has been a member of the Council for six consecutive years shall thereafter be ineligible for appointment to the Council during the two-year period following the expiration of such sixth year.

(3) The Council shall—

(A) establish general policies for, and review the conduct of, the Institute;

(B) advise the Assistant Secretary and the Director of the Institute on development of programs to be carried out by the Institute;

(C) present to the Assistant Secretary and the Director such recommendations as it may deem appropriate for the strengthening of educational research, the improvement of methods of collecting and disseminating the findings of educational research and of insuring the implementation of educational renewal and reform based upon the findings of educational research;

(D) conduct such studies as may be necessary to fulfill its functions under this section;

(E) prepare an annual report to the Assistant Secretary on the current status and needs of educational research in the United States;

(F) submit an annual report to the President on the activities of the Institute, and on education and educational research in general, (i) which shall include such recommendations and comments as the Council may deem appropriate, and (ii) shall be submitted to the Congress not later than March 31 of each year; and

(G) meet at the call of the Chairman, except that it shall meet (i) at least four times during each fiscal year, or (ii) whenever one-third of the members request in writing that a meeting be held.

The Director shall make available to the Council such information and assistance as may be necessary to enable the Council to carry out its functions.

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

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The SECOND ASSISTANT LEGISLATIVE CLERK. Nominations placed on the Secretary's desk in the National Oceanic and Atmospheric Administration and in the Coast Guard.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

DISCHARGE OF COMMITTEE ON THE JUDICIARY FROM CONSIDERATION OF H.R. 4704

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 4704, that the bill be held at the desk for further consideration.

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

QUIET MAN BEHIND THE TAX LAWS

Mr. MANSFIELD. Mr. President, probably the quietest man around the Halls of Congress, but one of its most able and respected, is Laurence Woodworth, Staff Director of the Joint Committee on Taxation, and principal adviser and consultant to the Senate Committee on Fi-

nance, and the Committee on Ways and Means of the House.

No one is more knowledgeable in tax matters than Dr. Woodworth. No one is more courteous; no one is more free with information or more helpful to all Members of Congress.

An excellent article entitled "The Quiet Man Behind the Tax Laws" was published in Dun's magazine for June 1973. The subtitle of the article is "No other civil servant in Washington has the clout of Laurence Woodworth. Neither, in fact, do most politicians." The so-called "clout" of Larry Woodworth comes from the respect he has earned from Members of Congress who value his advice, judgment, and fairmindedness.

I am sure it was quite difficult to obtain this interview with Dr. Woodworth because his satisfaction comes from outstanding work and not from the limelight, but I am delighted that after these many years some small public recognition has been given to him. He is a man to whom all of us owe a great deal; a man whom we all appreciate; a man who is entitled to more recognition than has been his lot to this time.

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 QUIET MAN BEHIND THE TAX LAWS—NO OTHER CIVIL SERVANT IN WASHINGTON HAS THE CLOUT OF LAURENCE WOODWORTH. NEITHER IN FACT, DO MOST POLITICIANS

(By Gerald R. Rosen)

When the 25 members of the House Ways and Means Committee gather around the curved rostrum in the high-ceilinged hearing room of Capitol Hill's Longworth Building to take testimony on tax legislation, a slight, bespectacled man with a graying mustache is always seated against the wall just behind Chairman Wilbur Mills. As the hearings proceed, the man constantly gets up, walks the few paces to the Chairman, and whispers in his ear.

Months later, a similar scene unfolds on the other side of the Capitol. At the Senate Finance Committee hearings to shape the upper chamber's version of the measure, the same unobtrusive man can be seen whispering into the ear of Chairman Russell B. Long. And when the five senior members of each Committee go behind closed doors to reconcile the House and Senate versions of the bill, there once again sits the mild-mannered man.

The man is Laurence Woodworth, the Chief of Staff of the Joint Committee on Internal Revenue Taxation. Never heard of him? Neither has hardly anybody else not intimately connected with the inner workings of Congress. Yet for nearly three decades, every major tax bill passed by the Congress has been stamped with the imprint of the 55-year-old Woodworth. "Larry Woodworth," says John S. Nolen, a Washington tax lawyer who served as Deputy Assistant Secretary of the Treasury for tax policy in the first Nixon Administration, "is one of the most important men in Washington. He has played a major behind-the-scenes role in shaping every tax measure since the 1940s."

To some extent, of course, a man in Woodworth's position is expected to be self-effacing. He is, after all, a civil servant, not a legislator. But even in the halls of Congress, where staffers are expected to be the eyes and ears of the men they serve and keep their mouths shut, Woodworth's modesty is extreme. He is known never to take credit for any piece of Committee business—although obviously responsible for much of it—always giving credit to a Committee member. He is also notorious for resisting interviews, and even after granting one to Dun's, it took a half-hour of coaxing before he would allow his picture to be taken. Then when his secretary handed us a copy of his official biography, Woodworth instructed her to first tear off an item on the bottom. That item revealed that Woodworth has won the coveted U.S. Civil Service League Award and the $10,000 Rockefeller Award, which is often called the "Nobel Prize" of the civil service. Chuckles Thomas Martin, a top tax lawyer for the American Petroleum Institute who knows Woodworth well, "I think Larry was a little embarrassed by the Rockefeller Award because the money was tax free."

AN ALTER EGO?

What makes the unassuming Woodworth so powerful stems first of all from the power of the men he serves. While he ostensibly works for 41 members of the Ways and Means and Finance Committees, his real bosses are Wilbur Mills and Russell Long, who rotate annually at the helm of the Joint Committee (it is Mills' turn this year). And in the final analysis, the man he must really satisfy is Mills. Since all revenue measures must originate in the House, the Ways and Means Chairman always plays a greater role in tax matters than his Senate counterpart. Moreover, Mills has few other legislative interests than taxation; Long has many other Senatorial concerns, including small business and the merchant marine.

In fact, the enigmatic, soft-spoken Woodworth, who comes from Ohio, is sometimes described as a Northern version of his mentor from Arkansas. Both are closemouthed and cautious, and rarely tip their hand. Having worked together on tax matters for nearly three decades, each man instinctively knows what the other thinks about virtually any aspect of the internal revenue code. "Woodworth and Mills seem to think so much alike," points out Herman Schneebeli, Ways and Means' ranking Republican, "I don't know who influences whom more."

Some of the newer members of Ways and Means and Finance figure that Woodworth simply knows what Wilbur Mills wants to do and then works towards that end. But those who have watched this relationship over the years take a different view. "The people who think Larry is merely executing the Chairman's wishes have it all wrong," says former Representative John W. Byrnes, who put in two decades as a committee member before retiring from Congress last year. "Sure, he tends to support Mills' position. But it was probably Larry's position in the first place."

Mills and Woodworth are so close that when the Chairman is too busy to keep a speaking engagement, he just sends Woodworth in his place. It was Woodworth, substituting for Mills at Harding College in the Chairman's Arkansas district, who shook up the White House in 1969. Reading the Chairman's speech, Woodworth stated that Ways and Means would not go along with the White House' request to extend the surtax unless the budget were cut still further. It was.

Although Congress has been Democratically controlled for most of Woodworth's tenure, he goes out of his way not to show partisan preference. He is not registered in either political party, and even his closest friends do not know how he votes. "I can't guess how he votes," says Wilbur Mills. "He goes out of his way not to let on."

One Congressman recalls the time a few years ago when the Johnson Administration's tax program was being presented to the Ways and Means Committee. As the proposals were being ticked off, a new staff member kept nodding his head and smiling. Suddenly, he felt a sharp jab in his ribs. "Stop smiling and nodding," rasped the usually even-tempered Woodworth, "you're working for the Joint Committee now."

So successfully has Woodworth managed to remain nonpolitical that if the Republicans took control of Congress and Pennsylvania's Herman Schneebeli and Utah's Wallace Bennett took over from Mills and Long, nobody believes they would replace Woodworth. "They would need him more than he needed them," says one of Woodworth's staffmen.

POINTING OUT THE OPTIONS

Much of Woodworth's influence, then, stems from the nature of his job. As Chief of Staff of the Joint Committee, he holds the most powerful and, at $40,000 a year, the highest-paid staff position on Capitol Hill. It is the job of Woodworth and his staff of some two dozen lawyers, economists, accountants and statisticians to microscopically examine every item in a proposed tax measure. This not only involves estimating the revenue gain or loss, but determining precisely how much will be gained or lost by the various income brackets and, in the case of business taxes, individual industries.

Woodworth, moreover, plays a major role in drafting that legislation. Sitting in his cramped basement office in the Longworth Building, adorned only with pictures of long-forgotten Joint Committee chairmen along the walls, Woodworth describes his role simply. "It is my job," he says, "to point out the options to the members. They write the tax laws; I don't.."

Maybe so. But long before a tax measure is even presented to Ways and Means, the Treasury Department's tax experts consult him on every provision of the bill they are putting together. Says a member of Woodworth's staff: "Stan Surrey [the top Treasury taxman in the Kennedy and Johnson Administrations] and Eddie Cohen [who held the same post in the first Nixon Administration] always went over a bill with Larry before sending it up. And so does Fred Hickman [Cohen's successor]."

None of these men deny that they consulted Woodworth. But they refuse to pinpoint any changes that have been made in tax proposals as a result of these deliberations. According to other sources, though, several changes that the Treasury made in its 1971 tax recommendations were the result of Woodworth's suggestions. Specifically: The investment credit was not denied to used machinery, saving untold millions for small companies that cannot afford new equipment; the repeal of the auto excise tax did not include heavy trucks—a heavy blow to the nation's truck manufacturers; the proviso permitting the creation of short-term trusts for dependents was tightened so that the wealthy could not set up transitory arrangements to avoid taxes; the proposed statute governing Domestic International Sales Corporations—popularly known as Discs—was redrawn so they could not be used as a tax loophole for companies doing business overseas.

Woodworth, of course, would never admit to being responsible for those provisions. His only comment, "I generally know what the Treasury is going to propose beforehand because of the questions its staff asked me along the way."

The Treasury's taxmen are, however, not free agents. For whatever they recommend must ultimately be cleared by the President. So even if they are convinced that Woodworth is right, or believe it is more politic to go along with him on a point, they can be overruled by the White House. At that point, the Treasury comes before the Committee with its views. But if Woodworth disagrees, he quietly points out to the members what

the flaws are. "When Larry has differences with the Treasury," says Wilbur Mills, "Larry is usually right."

Woodworth also had a major influence on the massive 1969 tax-reform act. While the 1964 law brought the maximum tax rate down from a confiscatory 91% to 70%, Woodworth felt that this was still too high. To the relief of top-bracket executives, he devised the idea of the 50% maximum tax on earned income. But Woodworth is not only a master of the Internal Revenue Code; he is also very conscious of the political realities. To pass tax relief for the upper brackets without something for middle and lower-income wage earners would have been politically impossible. So he devised a package that included a raising of the standard deduction from 10% to 15% and a low-income allowance for the poor. "A lot of people's ideas went into it," says John Nolen, "but it was Larry who put together the package. It was an ideal combination of what should be done and what could be done."

THE NEW TAX BILL

Right now, the Ways and Means Committee is hard at work drafting another major tax bill that could significantly affect such things as capital gains, estates and gifts and the always thorny question of tax shelters—all of major concern to top-bracket executives. Business is further concerned about what changes will be made in depreciation schedules and the investment credit, as well as the tax liabilities of multinational corporations.

Larry Woodworth obviously has a very good idea of what is ahead for executives and industry. But, needless to say, he refuses to be drawn into any discussion of specifics. His only hint: "Over the years, the Committee has consciously narrowed the gap between the rates on earned income and capital gains. This trend could certainly continue."

Narrowing the gap between the two—which would mean higher capital-gains rates but lower levies on earned income—would be a big step towards something Woodworth deeply believes in: tax equity. Although he is keenly aware of the need for investment incentives, Woodworth still fundamentally believes that in a perfect world, a given amount of income would be taxed at the same rates no matter how it is derived. "A guy with a $20,000 income should pay the same tax as any other guy with a $20,000 income," he argues.

Little known to businessmen, Woodworth and his staff also play a key role in corporate and individual tax refunds. Under the law, all refunds over $100,000 must be approved by the Joint Committee. Consequently, three Woodworth staffers are stationed at the Internal Revenue Service so that they can screen all of these major refunds. Whatever decisions they make are then subject to Woodworth's approval. While copies of these decisions are routinely sent to the committee members, Woodworth is the final arbiter. The committee has never held a meeting to question a Woodworth refund ruling, and none has ever been reversed.

Many of these decisions—and there are hundreds of them each year—involve substantial sums for many companies. For example, over the years Woodworth has approved a $1.9-million refund for oil-equipment maker J. Ray McDermott, $3.9 million for Shell Oil and $3.8 million for Monsanto.

Woodworth also acts as a lightning rod for the Committee members, who are continually besieged by constituents to either help them settle their problems with the Internal Revenue Service or write a special provision into a tax law. What the typical member does is to shake the constituent's hand, sympathize with his problem, and then say it is a very technical matter only Woodworth can handle.

There are times, however, when a Committee member feels that politically he must introduce a bill that will benefit an individual or a company in his district. These are controversial private bills that Ways and Means is particularly heir to. If it is a bad bill or an outrageous raid on the Treasury, Woodworth will advise the member to withdraw it. Although the diplomatic Woodworth will generally soften his views by suggesting that the bill might embarrass the member, everybody knows that his close relationship with Mills gives him virtual veto power over these private bills. According to Woodworth, "These member's bills have a worse name than they deserve. But," he adds, smiling, "I have knocked down a few of them."

Washington's top tax lawyers, fully aware of Woodworth's influence, are continually trying to get his ear. And except during the busy weeks when the Committee is marking up the final draft of a bill, Woodworth is generally available.

When the mining industry had a tax problem last year, it made Larry Woodworth's basement office its first stop. In writing the 1969 tax law, Congress somehow eliminated the carryback provision in the foreign tax credit for mining companies; thus, a company that had a loss in the current year could no longer apply it against a profit in a preceding year.

So last year, Fred Peel, the mining industry's tax lawyer, talked to Woodworth about restoring the provision. Woodworth voiced no objections to the change. So Peel got Oregon's Democratic Congressman Al Ullman to introduce it as an amendment to the House bill. While the entire tax measure eventually died in the Senate, Peel believes that the major hurdle against the change has been overcome. "Larry was the key," says Peel. "For if we went to Ullman or any other member to introduce it, they would have gone to Larry to ask his opinion. If he really objected, I don't think that there is a member of that committee who would have introduced the change."

THE MINISTER'S SON

Woodworth, a Methodist minister's son from Loudenville, Ohio has spent virtually his entire adult life working for the Joint Committee. With a bachelor's degree from Ohio Northern University and a master's in government management from the University of Denver, he joined the staff as a tax economist in 1944. By the 1950s, he was the Number Two staffman under stiff-necked Colin Stam.

When Stam retired in 1964, Woodworth was the only man who was even considered for the top spot. By that time he had added a Ph. D. in public administration from New York University to his academic credentials. But he was an anomaly in a legislative world in which virtually every Committee member and top staffman was a member of the bar. According to others, though, Woodworth's lack of academic legal training has never hurt him. "It doesn't matter that he didn't go to law school," says Thomas Martin. "Larry Woodworth is still one of the best tax lawyers in the country. If a statute has to be drafted, he can do it better than any lawyer."

Woodworth lives modestly in the house he bought 25 years ago in suburban Cheverly, Maryland, about a twenty-minute drive from his Capitol Hill office. Long active in civic affairs, he served as mayor of Cheverly, a predominantly working-class community, for five years. Since Cheverly politics are strictly nonpartisan, Woodworth did not have to run under a party label. "I would not have run on a partisan basis," he points out. "Anyway, it gave me great exposure to the kind of political problems that confront the members of the Committee."

The Joint Committee staff, in fact, has a long-time nonpartisan reputation. Woodworth has a completely free hand in hiring staff members, and neither Long nor Mills ever send over anybody for a job. Nor does Woodworth ask a job applicant his political preferences. "If Larry has any ideology," laughs Stanley Surrey, who now teaches at the Harvard Law School, "it is keeping the Internal Revenue Code in good shape."

Other than his civic concerns, Woodworth has few outside interests. He rarely takes a vacation and, much like his boss Wilbur Mills, seldom takes a pleasure jaunt. While most of his friends are involved in tax work, he is extremely careful not to discuss specific issues with them. "Larry is so wrapped up in his work," says Washington lawyer Fred Peel, who has known Woodworth for 25 years, "that he can't understand why people want to be off Saturday and Sunday when they could be sitting around talking about the tax system."

At this point, Woodworth could retire on a generous government pension and take one of the lucrative corporate offers that are constantly dangled before him. It is an open secret around Washington that he has rejected an extremely high bid from General Motors. "He turns them all down," says John Nolen, "because money is not what motivates him. He would much prefer to influence the nation's future tax laws."

A long-time Woodworth goal has been to simplify the arcane tax code. But as a realist he knows that sometimes the code has to be further complicated to accomplish a worthwhile social purpose. This problem came to the fore in 1969 when the Administration wanted a proviso granting rapid amortization for both pollution equipment and rehabilitated housing. While Woodworth recognized that the aim was worthwhile, he instinctively shied away from the idea of complicating the code still further. Over the years, he had seen other similar provisions written into law and then remain there long after the problem was resolved. So he suggested a five-year cutoff. "That five-year cutoff is pure Woodworth," says Eileen Shanahan, *The New York Times'* knowledgeable economics reporter.

While waiting for the tax system to arrive in Utopia, Larry Woodworth will continue to be the fulcrum of whatever changes are finally made in the Internal Revenue Code. For nobody believes that he will ever succumb to those high-powered corporate offers. "He has to cater to 525 egomaniacs [the members of Congress]," says Michigan's Martha Griffiths, a member of Ways and Means. "But this quiet man has more knowledge than practically all of them."

UNITY OF PURPOSE

Mr. MANSFIELD. Mr. President, the Christian Science Monitor for June 6, 1973, contains an article entitled "Unity of Purpose," written by William H. Stringer. It relates to the present situation in which the Nation finds itself.

The article urges us to adhere to such documents as the Declaration of Independence, the Constitution, the Bill of Rights, and other similar documents. We are reminded that we are operating under a system of checks and balances and that so long as we hew to these basic documents we shall be able to come out of any difficulty which confronts us, and come out of it stronger than ever.

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:

(By William H. Stringer)

UNITY OF PURPOSE

We can be clear about one thing, in these unsettling weeks of Watergate probes. There

's no reason why human lives, the affairs of state, or the activities of American institutions, need to be halted and paralyzed because some evil is being uncovered. And Americans will be helped in maintaining their equilibrium and forward movement, I believe, if they give a little less credence to the constant assertion that there is a serious, lacerating, "adversary relationship between the White House and the press, between the government and the news media. It doesn't need to be so.

There is always the necessity for alertness to what the government is doing, and the press supplies that alertness, in great measure. But need the "adversary relationship" be dangerous, savagely controversial, blindingly distrustful? No.

And why? Because the American system, with all its doctrine of separation of powers, is built on, and requires, unity of purpose. And the purpose is the perfecting of institutions and government which carry forward the fundamental principles imbedded in those basic documents promulgated by the Founding Fathers.

These documents—the Declaration of Independence, the Constitution, the Bill of Rights, plus the Civil War amendments—cannot be stressed too often. They speak of remarkably moral and spiritual objectives: that all men are created equal; that they are endowed with basic rights, among them life, liberty, and the pursuit of happiness (translated, in these years, as pursuit of the quality of life); the guarantees of freedom of religion, of speech, of the press; The right to fair trial, to be free from illegal search and seizure; the amendments abolishing slavery and providing equality of opportunity.

These documents didn't just happen. They matured out of mankind's historic experience and, I believe, out of inspiration. A thoughtful Englishman once said to me, "As long as America hews to these aims, she is safe." On a Fourth of July anniversary, Prof. Eugene V. Rostow of Yale, speaking at Jefferson's home, Monticello, said:

"The principles of liberty and equality set out in the Declaration of Independence and codified in the Constitution are the strongest force in our history. Year after year, they burst the bonds of hatred and of habit, reshaping our minds and then our institutions. Their moral power gives coherence and direction to our public life."

A superb student of constitutional law at Harvard Law School, Prof. Thomas Reed Powell, used to tell us that "America's great legal principles and Supreme Court decisions are not pulled down from the heavens by some skyhook." I learned a lot from him but I beg to differ on this point. There is a leaven, a gradual perfecting, an impetus in men's affairs which comes not from creatures formed in some primeval ooze. Beyond the brain, there is a high intelligence, always available, usable now as ever.

The unity of purpose is appearing in many ways. Labor unions make more use of compulsory arbitration instead of savage infighting. Some Black Panthers seek to work "inside the system." In the churning realm of journalism, a national press council will begin functioning, along about midsummer, hearing complaints for or against news media performance and issuing adjudications whose only sanction will be their fairness and their publicity.

If this press council functions successfully, and if President Nixon holds more press conferences, some of the pent-up mean-mindedness can drain out of White House-media relations. Maybe even some political cartoonists will temper their vicious jabs.

The United States can come through its ordeal, its necessary inquiry, undevasted. Unity of purpose surfaced many times during the Eisenhower and Kennedy administrations—with understanding of each other's problems and aims, between White House and the media. It can happen again. It will take effort, reformist legislation, and less seeing of "the other guy" through veils of suspicion. But there is a common purpose.

Hewing to its basic documents, America will be safe.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Does the Senator from Michigan desire recognition?

Mr. GRIFFIN. No, Mr. President.

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

Mr. GRIFFIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. On whose time?

Mr. GRIFFIN. Let the time be charged to the Senator from Oklahoma.

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

The legislative clerk proceeded to call the roll.

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

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

AN ORDERLY SUCCESSION AT THE FBI

Mr. PROXMIRE. Mr. President, in connection with the service by William Ruckelshaus as Acting Director of the Federal Bureau of Investigation, it is essential that the Senate's constitutional prerogative of advising and consenting to top executive appointments be fully protected.

I had intended to introduce today a resolution which would have preserved this prerogative, and yet permitted Mr. Ruckelshaus to serve until a successor could be named. However, the Senate leadership has received assurances that a nominee will be submitted to the Senate no later than this Saturday, and this will satisfy the statutory requirements.

The United States Code requires the President to move quickly on executive appointments. It does not allow the President to fill top posts for an indefinite period on a "temporary" basis, and thereby sidestep the Senate confirmation process.

Section 5503 of title 5, United States Code, covers temporary appointments while the Senate is in recess. That section provides:

A nomination to fill a vacancy [as a recess appointment] . . . shall be submitted to the Senate not later than 40 days after the beginning of the next session of the Senate.

William Ruckelshaus was designated Acting Director of the FBI, on a temporary basis, on April 27, 1973. The Senate was on its Easter recess when that designation was made. It returned from its recess on April 30, 1973. The 40 days permitted by the statute will thus expire this Saturday, June 9, 1973.

Unless there is some change in the law, or unless a nomination is submitted to the Senate, Mr. Ruckelshaus would have to step down.

Mr. President, I have had a joint resolution prepared which would allow Mr. Ruckelshaus to serve in the FBI post for an additional 30 days beyond June 9, 1973. Such a resolution would protect the Senate's constitutional advise and consent function, and yet would allow for the smooth and orderly functioning of the executive branch in this instance.

This resolution has been approved by the Senate leadership on both sides of the aisle, and I am informed that the administration would welcome our action. However, we have today received assurances that a new nominee will be submitted to the Senate by this Saturday, the date on which the 40-day period expires. Such a submission will toll the statute, and will give the Senate the opportunity to act as a partner in the appointment process.

In light of these assurances, there is no need to submit the resolution, and we will withhold it pending the submission of the new FBI director.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 12 o'clock noon, with statements therein limited to 3 minutes.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication which was referred as indicated:

PROPOSED AMENDMENT TO THE BUDGET, 1973, FOR SMALL BUSINESS ADMINISTRATION

(S. DOC. NO. 93-20)

A communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1973, in the amount of $300 million, for the Small Business Administration (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 268. A bill to establish a national land use policy, to authorize the Secretary of the Interior to make grants to assist the States to develop and implement State land use programs, to coordinate Federal programs and policies which have a land use impact, to coordinate planning and management of Federal lands and planning and management of adjacent non-Federal lands, and to establish an Office of Land Use Policy Administration in the Department of the Interior,

and for other purposes (Rept. No. 93-197), together with minority and additional views.

Mr. JACKSON. Mr. President, today I filed the report on the Land Use Policy and Planning Assistance Act, S. 268, a bill to authorize the Secretary of the Interior, pursuant to guidelines established by the Executive Office of the President, to make grants to assist the States to develop and implement State land use programs and to coordinate land use planning in interstate areas; to coordinate Federal programs and policies which have land use impacts; to coordinate planning and management of Federal lands and planning and management of adjacent non-Federal lands; to make grants to Indian tribes to assist them to develop and implement land use programs for reservation and other tribal lands; to encourage research on and training in land use planning and management; and for other purposes.

Mr. President, I urge early Senate consideration of this measure. I first introduced it in 1970. The administration submitted a similar proposal in 1971. The Interior Committee has now reported land use policy legislation three times. The Senate passed it last year by a vote of 60 to 18. This year we must enact national land use policy legislation if we are to truly meet our responsibilities to provide a better legacy to our children than the unsightly, unproductive, and unrewarding land resource we are shaping today.

For over a century after the birth of our Nation, Americans enjoyed a superabundance of relatively free land. Today, there is no longer land enough for all people and all uses. Gone are the days when there was always more land over the next rise.

Land has become this Nation's most valuable resource—an all too finite resource. Unlike air and water and many minerals, land cannot be regulated. Mountains carved by strip mines, wetlands dredged and filled, or streams channelized frequently cannot be returned to their former use or beauty. Land once committed to a use today, be it social, economic, or environmental, may be unable to support a different use in the future more closely attuned to the then prevailing national values or goals.

The Land Use Policy and Planning Assistance Act will insure that the policies adopted toward the land and its use will no longer evolve from the slash and burn and move on type of decisionmaking developed in the days when land was plentiful. Certainly, no one should dispute that we no longer can afford the chaotic, ad hoc, short-term, case-by-case, crisis-to-crisis land use decisionmaking which all levels of government have indulged in in the past.

We can no longer afford to absorb the enormous costs in economic losses, delays, resource misallocations, and adverse social and environmental effects which have been exacted by our failure to plan for the sound and balanced use of our land.

The land use crisis is bearing down on America with the inexorable force of a tidal wave. Land use problems which once appeared only local are now national in compass. We are now faced with a national land use crisis. Consider these statistics—

By 1990, urban sprawl will consume an area of land approximately equal to all the urbanized land now within the 228 standard metropolitan statistical areas—the equivalent of the total area of New Hampshire, Vermont, Massachusetts, and Rhode Island;

Each decade alone, new urban growth will absorb an area greater than the entire State of New Jersey;

The equivalent of 2½ times the housing in the Oakland-San Francisco metropolitan region must be built each year to meet the Nation's housing goals;

In the next two decades, one industry alone—the electrical power industry—will need 3 million acres of new rights-of-way for additional high voltage transmission lines and more than 140,000 acres of potential prime industrial sites for over 200 new major generating stations; and

In short, between now and the year 2000, we must build again all that we have built before. We must build as many homes, schools, and hospitals in the next three decades as we built in the previous three centuries.

Costs rise and needs go unmet while the courts attempt to deal with a growing backlog of hotly contested cases involving land use for new suburban housing developments, highways, airports, factories, powerplants, transmission lines and pipelines. Failure to pass this legislation when I first introduced it 3 years ago has already resulted in needless, incalculable waste, inefficiency, and environmental damage.

It has now become obvious to both environmental advocates and industrialists, as well as to most Members of Congress that this 20th century problem of exponential growth cannot be met with 19th century laws, institutions, and procedures.

There are, however, a few who still contend that social and environmental change cannot or should not be consciously planned or given direction. They make dire prediction of ruin—destruction of property values, surrender of local control, socialism—should the laws of the free market be amended, no matter how slightly, by the laws of society. They argue that public planning and implementation of policies to protect the public interest and the environment somehow invade constitutionally protected rights.

These contentions are wrapped in constitutional phrases to obscure the simple fact that the vested and special interests want to maintain the status quo. The Nation, however, can no longer afford the status quo. In all parts of the country, conflicting demands over limited land resources are placing severe strains upon economic, social, and political institutions and processes and upon the natural environment. The status quo is farmers' groups opposing real estate developers; environmentalists fighting the electric power industry; homeowners colliding with highway planners; the mining and timber industries struggling with conservationists; shoreline and water recreation interests pitted against oil companies; cities opposing the States; and suburbs opposing the cities.

The Land Use Policy and Planning Assistance Act is the Nation's last chance to preserve and to invigorate local land use decisionmaking and to insure that basic property rights are not infringed by bureaucrats in places as far removed as Washington, D.C.

The Land Use Policy and Planning Assistance Act is an affirmation of States' rights. It provides grants to the States to assist them to develop their own innovative land use policies and procedures to meet the land use crisis. It is a statement of belief that, if urged and aided, State and local government, working together can provide a better design for tomorrow—a design which embodies all legitimate values and goals, local and national.

If State and local governments do not accept this challenge and do not implement this bill, the only solution will be the usual solution for national problems: Federal control. No one wants national zoning, but, I say here today, that if we turn our backs on the opportunity and run from our responsibility to improve land use decisionmaking, that is what we will have by the end of the decade.

The Land Use Policy and Planning Assistance Act has as its basic purpose the improvement of State and local land use procedures and institutions to provide for a truly balanced, democratic land use decisionmaking. It fosters a decisionmaking about land use of more than local concern which balances all competing demands for the land—economic and noneconomic—and which provides for the participation of all people who would feel the impacts of land use decisions and of the officials whom those people have elected—not just the citizens of the smallest denominator local government and the members of its local zoning board.

In recognition that many land use decisions today have major impacts on the citizens, the economy, and the environment beyond the jurisdiction of the local zoning board or other land use decisionmaker, S. 268 encourages the States, as representatives of the wider interests, to formulate State land use programs for five categories of critical areas and uses of more than local concern—areas of critical environmental concern—flood plains, shorelands, wildlife habitats, historic areas—key facilities—major airports, highway interchanges, recreation facilities, and energy facilities—large-scale development—large industrial parks or subdivisions—public facilities or utilities of regional benefit, and land sales or development projects—installment land sales and massive recreational homesite projects in rural areas. S. 268 provides grants totalling $100 million per year for 8 years, at 90 percent Federal share of cost to the States to develop these programs.

In addition, the States are asked to coordinate State and local land use planning in interstate regions—$15 million annually for 8 years at 90 percent. Indian tribes are provided funds to develop

programs for Indian land similar to the State land use programs—$10 million annually for 8 years at 100 percent. The act also provides $2 million a year in grants or contracts for research and training in land use related subjects. Mechanisms would be established for coordinating planning and management of Federal lands with State and local planning and management of adjacent non-Federal lands.

In the floor debate last year on S. 632—S. 268's predecessor—several new issues were raised and a number of Senators expressed concern about the legislation's failure to address those issues. After careful consideration of those issues, the committee adopted a series of amendments which I believe will not only answer the concerns of a number of my colleagues but which will also measurably strengthen the act. Among the amendments are new provisions which ensure the safeguarding of the traditional rights of property owners, give sensitive consideration to the protection of the local property tax base and revenues, and guarantee full participation of all interested parties—property owners, users of the land, and the public.

At the urging of several Senators, a number of Governors and leading environmental organizations, the Committee adopted an amendment which established a fifth category of land uses which must be included in the State's land use program—land sales or development projects. We presently have a Federal law which attempts to end the fraud and misrepresentation too frequently associated with the selling of large-scale installment land sales and recreational homesite projects. But the regulation this law calls for is after-the-fact for the purposes of protection of the environment and maintenance of public services, such as education, police and fire protection, and sewer and water systems. Full and intelligent consideration must be accorded projects at the initial stages of development rather than at the later sales stage. The decision to site the project comes before the decision to sell, and it is this first decision which determines the eventual environmental and public service impacts of the proposed projects. New provisions in the Act require the State to assist rural, local governments to assess the full range of favorable and adverse impacts of proposed projects, and to hold developers of these projects to a number of substantive standards concerning environmental quality, provision of public services, and financial capability to complete all promised improvements.

The Council on Environmental Quality is mandated to conduct a one year study of the feasibility and possible substance of national land use policies. The results of that study, together with the reports of State and local governments must be submitted to Congress within three years of enactment of S. 268. To insure an in-depth rather than a pro forma study, we have in the Act twelve possible national standards which must be considered by all the parties to the study.

Finally, new amendments, adopted by the committee, would provide grant assistance to Indian tribes to plan Indian land and funds for research on and training in land use planning and management, and would give, for perhaps the first time, statutory recognition to and consideration of the inefficient costly, time-consuming, and conflicting licensing requirements at all levels of government.

S. 268, which I first introduced in January 1970, has enjoyed 3 years of careful consideration and honing in hearings and Committee markup. This makes the third time the Committee has reported it. Last year the Senate voted in favor of it by a vote of 60 to 18. It has received the endorsement of the administration, the National Governors' Conference, 30 individual Governors, and Council of State Governments, the League of Cities, the Conference of Mayors, the AFL–CIO, the National Farmers Union, National Association of Industrial Parks, League of New Community Developers, and all the major environmental organizations and such diverse publications as the New York Times and Wall Street Journal, the Washington Post, and Business Week.

I commend the bill to my colleagues in the hope of its early enactment.

By Mr. PACKWOOD, from the Committee on Banking, Housing and Urban Affairs, with amendments:

S. 1033. A bill to amend the Export Administration Act of 1969 (50 App. U.S.C. 2401–2413), as amended, to control the export of timber from the United States (Rept. No 93–198), together with additional views.

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

S. 797. A bill to direct the Secretary of Transportation to make a comprehensive study of a high-speed ground transportation system between Washington, District of Columbia, and Annapolis, Maryland, and a high-speed marine vessel transportation system between the Baltimore-Annapolis area in Maryland and the Yorktown-Williamsburg-Norfolk area in Virginia, and to authorize the construction of such system if such study demonstrates their feasibility (Rept. No. 93–199).

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. CURTIS (for himself and Mr. HRUSKA):

S. 1956. A bill to authorize the Secretary of the Interior to transfer title to Mirage Flats Irrigation Project works to the landowners within the Mirage Flats Irrigation District. Referred to the Committee on Interior and Insular Affairs.

By Mr. McCLELLAN:

S. 1957. A bill to amend title 35, United States Code, "Patents", and for other purposes. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 1958. A bill to encourage State and local governments to provide relief from real property taxes for elderly individuals. Referred to the Committee on Finance.

S. 1959. A bill to amend the Public Health Service Act to enlarge the authority of the National Institute for Neurological Diseases and Stroke in order to advance a national attack on multiple sclerosis, epilepsy, muscular dystrophy, and other diseases. Referred to the Committee on Labor and Public Welfare.

S. 1960. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under any State program approved under such title, to submit to the State agency administering such program an annual report on the costs incurred in the operation of such nursing home. Referred to the Committee on Finance.

By Mr. McCLELLAN:

S. 1961. A bill to amend the Flood Control Act of 1938. Referred to the Committee on Public Works.

By Mr. MAGNUSON:

S. 1962. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce. Referred to the Committee on Finance.

By Mr. BELLMON:

S. 1963. A bill to provide for legislative budget review by the General Accounting Office. Referred to the Committee on Government Operations.

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

S. 1964. A bill to establish the Tijuana National Wildlife Refuge. Referred to the Committee on Commerce.

By Mr. ERVIN:

S. 1965. A bill to ensure the separation of Federal powers and to protect the legislative function by abolishing the Subversive Activities Control Board. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1966. A bill for the relief of Miss Leticia Del Carmen Chavez. Referred to the Committee on the Judiciary.

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

S. 1967. A bill to amend title V of the Housing Act of 1949 to expressly authorize the collection of taxes and insurance from rural housing borrowers, to authorize fees and charges to be available for administrative expenses, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

S. 1968. A bill to amend title V of the Housing Act of 1949 to transfer certain farm labor housing and rural rental housing loans and related liabilities from the Agricultural Credit Insurance Fund to the Rural Housing Insurance Fund, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. McCLELLAN:

S. 1957. A bill to amend title 35, United States Code, "Patents," and for other purposes. Referred to the Committee on the Judiciary.

Mr. McCLELLAN. Mr. President, as chairman of the Subcommittee on Patents, Trademarks, and Copyrights I introduce, for appropriate reference, a bill to amend title 35, United States Code, "Patents," and for other purposes.

This bill is identical to S. 1254 of the 92d Congress, as passed by the Senate on April 29, 1971. The legislation makes a number of minor and miscellaneous amendments to title 35 and establishes the position of Assistant Secretary of Commerce for Patents and Trademarks, who shall ex officio be the Commissioner of Patents.

The Committee on the Judiciary in its report on S. 1254, concluded that a change in the status of the Patent Office within the Department of Commerce was necessary because of "the urgent administrative problems confronting the patent system." During my service as chair-

man of the subcommittee there have been five Commissioners of Patents. A chronic unsatisfactory relationship has existed between the Department of Commerce and the Patent Office. This has contributed to frequent changes in the office of Commissioner of Patents, and instability in the administration and programs of the Patent Office.

When S. 1254 was being considered in the House of Representatives the Department of Commerce informed the House Committee on the Judiciary that it was opposed to altering the structure of the Patent Office at that time because—

> It is the position of the Administration that while the President's recommendations for reorganization of the executive branch are under consideration, there should be no new proposals for restructuring of executive level positions in those Departments which would be affected by the reorganization.

I found the explanation of the Department of Commerce particularly unpersuasive. At that time I was chairman of the Committee on Government Operations, before which the reorganization plans were pending. It was readily apparent that there was no likely prospect of favorable action on the Department of Commerce reorganization plan, and the administration could not be described as diligently pursuing the Commerce Department reorganization.

I subsequently discovered that there was no absolute moratorium on restructuring departments involved in the reorganization plans. I was then advised by the Office of Management and Budget that—

> Exceptions to this policy have been made where special conditions require immediate realignment of positions.

In other words the moratorium only applied when it served the purposes of the Executive branch.

Legislation is now pending before the subcommittee to remove the Patent Office from the Department of Commerce and establish it as an independent agency. It is anticipated that the subcommittee will consider that proposal later this session in connection with the general revision of the patent laws.

In view of the apparent inability of the Department of Commerce to develop and maintain an effective working relationship with the Patent Office, such action may be required and desirable. The bill which I am introducing today provides an alternative approach, in the event the subcommittee decides to retain the Patent Office within the Department of Commerce.

By Mr. MOSS:

S. 1958. A bill to encourage State and local governments to provide relief from real property taxes for elderly individuals. Referred to the Committee on Finance.

ELDERLY HOMEOWNERS PROPERTY TAX RELIEF ACT

Mr. MOSS. Mr. President, I introduce, for appropriate reference, a bill to encourage State and local governments to provide relief from the property tax for the elderly.

The problem of escalating property taxes has gained wider recognition since I introduced this proposal in the 92d Congress as S. 3088. American citizens are becoming more aware of the inequity which results when elderly individuals living on fixed incomes have to pay 30 or even as much as 50 percent of their incomes for property taxes.

While thousands of senior citizens fall into this category, the aged homeowner, on the average pays 8.1 percent of his income for property taxes. The typical urban family by contrast pays out 3.4 percent of their income for taxes.

Moreover, these taxes have been increasing at a rapid rate. Since January 1969 they have increased by 36 percent, nearly twice as fast as the rise in overall cost of living. In many communities real estate taxes have doubled and tripled in the past 10 years.

It is when these statistics are reduced to concrete examples that the full effect of the property tax on the elderly can best be seen. One individual was found in a midwest State with an income of $1,000 a year who paid 30 percent of his income in property taxes. Others with less income were found to be paying 58 percent of their incomes in property taxes. It is likely that these examples will multiply in the future since public education apparently will continue to be supported by the property tax.

Last year when I introduced S. 3088 I noted the President's reference in his state of the Union message to some sort of reform of property taxes. This year, another statement has been issued by the White House that the President supports proposals granting property tax relief for the elderly. Once again we have the rhetoric, but where is the action?

Because this problem cries out for redress, I am introducing my own proposal which I do not consider the final answer, but which I hope will serve as a basis for discussion.

In introducing this bill, I accept the assumption that the property tax is particularly damaging because it is regressive in nature. My bill would therefore require the Federal Government to replace, within limits, the amount of collected money a State would lose in granting a property exemption to the elderly. These losses would be made up with general tax revenues. Philosophically, this would replace to a degree the regressive property tax in favor of the progressive Federal income tax.

The bill requires that if a State enacts legislation to exempt from taxation the first $5,000 in actual value of the property held by one of its over-65 citizens, the Federal Government would be obligated to replace these funds. However, the Federal Government's replacement would not be on a 1-to-1 basis. The bill contains a ratio of reimbursement formula which favors the lowering of effective property tax rates in general.

Since most real estate taxes are imposed on a local basis the bill makes States responsible for certifying to the Treasury such amounts as are lost by extending a $5,000 exemption on the property taxes of its senior citizens. The Secretary of the Treasury would pay the State the amount of the qualified reduction attributable to the exemption plus:

First, 13 percent of the qualified reduction, if the applicable tax rate does not exceed $1 per $100 of actual value of the property.

Second, 12 percent of the qualified reduction if the applicable tax rate exceeds $1 but does not exceed $2 per $100 of actual value of the property.

Third, 11 percent of the qualified reduction, if the applicable tax rate exceed $2 but does not exceed $3 per $100 of actual value of the property.

Fourth, 10 percent of the qualified reduction, if the applicable tax rate exceeds $3 but does not exceed $4 per $100 of actual value of the property.

Fifth, 7 percent of the qualified reduction if the applicable tax rate exceeds $4 but does not exceed $5 per $100 of actual value of the property.

Sixth, 5 percent of the qualified reduction if the applicable tax rate is $5 or more per $100 of actual value of the property.

The bill provides, however, that in no case shall the qualified reduction attributable to the exemption, plus the bonus, exceed $200 for each over-65 property taxpayer in the State.

In short, the bill provides positive incentives to the States to enact senior citizen exemptions for the first $5,000 actual value of real property on the assurance that the Federal Government would replace these funds from general revenues, and would also pay a bonus of up to 13 percent depending on the effective tax rates within the States. States would certify these amounts to the Secretary of the Treasury. The Secretary would pay over to the State such funds as are indicated by the States, provided, of course, the State gives assurance that the Federal money will be paid over to the appropriate political subdivisions of the State. As a cost control, the Secretary would not be allowed to pay to the State more than $200 per certified over-65 property taxpayer.

As I have stated, I have no illusions that this bill is the entire answer to the problem of increasing property taxes. Perhaps also the amounts in the bill should be changed. But I do hold that the philosophy of this bill, which seeks to substitute the progressive income tax for the regressive property tax, is sound—that this is the right way to go—if we are to help our senior citizens whose fixed retirement incomes in recent years have been ripped to shreds by the twin buzz saws of inflation and escalating real estate taxes.

Finally, I ask unanimous consent to have printed in the RECORD at this point two articles by columnist Sylvia Porter entitled: "Property Taxes Become Crushing" and "Rising Taxes on Homes, and the Search for a Way Out."

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

PROPERTY TAXES BECOME CRUSHING

(By Sylvia Porter)

The strong controls of Phase 2 must moderate the pace of upsurge in over-all housing costs, but they cannot even touch one of the most painful and ever more expensive items in our lives—property taxes. These taxes will not be frozen, not ever. And prop-

erty taxes will continue rising—for several reasons—for the foreseeable future.

Simply to suggest the intensity of the squeeze on many of us, in all income groups and all age brackets:

Our total property tax bill hit $37.5 billion in 1970, up 35 percent since 1967 alone, a rate nearly twice the average increase in the cost of living during the period. And the pace is quickening: 1970's bill was nearly 12 percent higher than 1960's.

In many cities, the property taxes on a medium-priced house and lot have crossed $1,000 a year. In virtually every major city, a homeowner's property taxes now exceed $500 a year.

Some cities and towns have raised tax assessments as much as 20 to 25 percent in a single year, and in some cases reassessments designed to spread the tax burden have meant doubling, tripling or even quadrupling the taxes of certain homeowners.

Next to your mortgage payment your tax bill today is likely to be your biggest homeownership cost, and property taxes have for years been among the fastest rising items in total living costs. The Washington-based Advisory Commission on Intergovernmental Relations reported not long ago that the city family pays an average of $1 in $25 earned by the household on local property taxes, including the taxes hidden in the rent of non-homeowners.

Why, obviously, behind soaring property taxes are the rising costs of health, education, welfare and public services. Contributing are rising crime rates and mounting needs for more and better paid police. Part of the pattern is the rising need for more and better paid firemen, road construction and sanitation workers, similar workers.

On top of this, many towns and cities are struggling under staggering interest loads on bond debts run up to build schools, help finance new hospitals and transit systems, comply with tough new Federal, state and local antipollution laws, satisfy the demands of the public for a cleaner environment.

Making the massive burden feel even heavier is the fact that many homeowners are carrying too much of the load, and many too little. The injustices and the inequities as follows:

Our elderly, for instance—for many of whom school ended after the 8th, 10th or 12th year, who tend to use expensive highways much less than younger Americans and who are least able to bear any extra financial burdens—are probably the hardest hit of all.

Numbers of elderly, in fact, are being compelled to give up owning and living in their own homes primarily because they can't take the climbing property taxes.

Farmers also are often victims, especially in recreation-oriented areas where land is increasingly being assessed and taxed on the basis of its real estate potential, instead of its meager return as pure farm land.

In a cross-section of cities and towns, the poorest are shouldering a disproportionately large share of property taxes while mobile homeowners—whose homes are taxed as personal property rather than in the form of real estate taxes—are not bearing their full share of local tax costs.

And while those citizens who have fled to suburban bedroom communities may squawk about their own property taxes, they also are escaping the heavy burdens in the cities to which they commute daily to earn their incomes.

All sorts of suggestions are being tossed around. One would junk the property tax system entirely by "piggy-backing" on state incomes taxes and giving the states responsibility for paying certain costs now being borne by cities and towns. Another would have the federal government take over responsibility for paying public school costs in the nation's 25 biggest cities. A third, cited recently by Norman Karsh, executive director of President Nixon's Commission on School Finance, would equalize tax rates for education throughout the United States and would have the states in areas of low property values kick in extra funds. And, of course, pressure continues for more federal revenue sharing.

But while the system remains as is—which it will for quite a while—can you, a house-hunter, curb the cost of your property taxes? Indeed, you can.

RISING TAXES ON HOMES, AND THE SEARCH FOR A WAY OUT

Anger over real estate taxes is boiling up, setting off a scramble for alternative. A new study reveals a wide range in burdens on homeowners.

A homeowners' revolt against rising property taxes is forcing cities to seek other sources of revenue.

How poorly they are succeeding is suggested by the fact that the real estate tax still accounts for $8.50 of each $10 in local taxes collected.

In most cities beset by soaring expenses, property owners have been hit by a long string of property-tax boosts.

A look at what is happening has just been made public by the International City Management Association and other local-government organizations. They conducted a survey of cities all over the country. Some of the findings:

The typical property tax on a house and lot with a sale value of $25,000 was $595 in the year ended in mid-1969. A Census Bureau study for the year ended in mid-1966 indicated a typical tax of $495 on that home.

The tax tends to be higher in suburbs than in central cities—typically $632 for a $25,000 home in the outskirts, against $563 in the city.

Mark Keane, executive director of the city-management group, ascribed the difference to school levies. "On the average," he said, "the suburbs raise almost $100 more in school taxes per $25,000 home than the central cities."

Property taxes vary, too, from area to area. For Northeastern cities surveyed, the typical tax on a $25,000 home was $851, more than 40 per cent above the nationwide average. For Southern cities, the typical real estate tax on such a home was $450—nearly a fourth below average.

Size of communities also shows up as a factor. The smallest cities studied—with populations of 25,000 to 50,000—had a typical tax of $702 on a $25,000 home. Lowest level was in cities with more than 500,000 population, a typical tax of $534.

The list of cities on page 71 shows the wide spread in homeowners' tax burdens.

SPREADING REVOLT

Cities that depend most heavily on the real estate levy for revenue find boosts now are coming with increasing difficulty as voters' ire grows.

In States that require voter approval in tax referendums, rejections have been frequent recently. In some communities—in Ohio, for example—schools have been shut down for varying periods because voters have withheld operating funds.

Recently, the plight of homeowners has been cited more and more in support of proposals for the Federal Government to share its revenues with State and local units. On June 25, President Nixon told an audience:

"Approximately 70 per cent of Americans over 65 own their own homes. This means that the growing burden of property taxes falls on their shoulders with special weight.

"When a person retires, his income goes down—and so do most of his tax bills. But his property taxes keep right on climbing—and he may even be forced out of the home he has paid for. This is one reason I want revenue sharing."

RELIEF SOUGHT

Nearly everywhere, property-owner complaints and local-government frustrations have become commonplace. In the past week or so—

Homeowners in Florida's Dade County, which includes Miami, have complained bitterly about increases in property assessments—up to 27 per cent or more in 1971 over 1970.

Georgia's municipal association and county commissioners' association have urged that the State's sales tax be boosted from 3 per cent to 4 in order to make way for property-tax relief.

In Virginia, civic and political groups have called on a State tax commission to relieve property owners by pushing for a law giving localities power to impose a piggyback surtax on top of the State's income tax.

On June 28, Philadelphia's school board adopted a new budget calling for elimination of all extracurricular activities—including sports, music, arts, dramatics and debating—and the use of school facilities after school hours.

For local officials, County Judge William O. Beach, of Montgomery County, Tennessee, summed it all up recently when he said:

"The painful fact is that we have reached the limits of political tolerance with respect to property taxation."

By Mr. MOSS:

S. 1959. A bill to amend the Public Health Service Act to enlarge the authority of the National Institute for Neurological Diseases and Stroke in order to advance a national attack on multiple sclerosis, epilepsy, muscular dystrophy, and other diseases. Referred to the Committee on Labor and Public Welfare.

THE NATIONAL MULTIPLE SCLEROSIS AND EPILEPSY ACT OF 1973

Mr. MOSS. Mr. President, I introduce for appropriate reference, a bill to amend the Public Health Service Act to enlarge the authority of the National Institute of Neurological Disease and Stroke in order to advance a national attack on multiple sclerosis, epilepsy, muscular dystrophy, autism, and other neurological diseases. The short title of this bill is, the National Multiple Sclerosis and Epilepsy Act of 1973.

I first introduced this bill in the 92d Congress as S. 3664. It is estimated that anywhere from 23 to 45 million Americans suffer from chronic neurological or disabling sensory disorders. Impairments range from speech defects and hearing problems to disorders of the nervous system causing crippling and death.

These conditions include multiple sclerosis, cerebral palsy, epilepsy, stroke, muscular dystrophy, Parkinson's disease, spinal injury, mental retardation, hearing impairment, autism, hearing disorders, and many others.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the incidence of Neurological disorders in the United States.

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

INCIDENCE OF NEUROLOGICAL DISORDERS IN THE U.S.

(Source U.S. Public Health Service Publication No. 1427)

Major Neurological Disorders:	
Cerebral palsy	750,000
Epilepsy	4,000,000
Mental retardation	6,000,000
Multiple sclerosis	500,000
Muscular dystrophy	200,000
Parkinson's disease	1,000,000
Spinal cord injury	100,000
Strokes	2,000,000
Hearing impairments	8,549,000
	23,099,000
Other Neurological Disorders:	
Amytrophic lateral sclerosis	9,000
Head injuries	3,053,000
Huntington's disease (chorea)	14,000
Myasthenia gravis	30,000
Reading disabilities (school child)	8,000,000
Spinal bifida	27,500
Brain tumors	140,000
Speech impairments	10,000,000
Visually impaired (cannot read newsprint with visual aids)	1,239,000
	22,512,500
Total individuals affected	45,611,500

Mr. MOSS. Mr. President, as chairman of the Subcommittee on Long-Term Care of the Senate Special Committee on Aging I have found that it is not uncommon for individuals affected by these conditions to have multiple handicaps. In fact, I am told that people affected by these chronic, long-term care conditions are confined more to bed, chair, and house, and need more assistance in daily living, than victims of most all other diseases combined.

Unfortunately, there are no known cures for the vast majority of these ills. This means that millions of individuals continue to suffer grave disabilities and that millions of families must struggle to provide them with the assistance they need. Since there is a distinct absence of Government programs to help families support these individuals in their own homes, great numbers turn to nursing homes for assistance. Most families cannot afford the cost of nursing home care.

These disabilities take their toll not only from the individual and his family but deplete the wealth of the Nation as well. They produce long-term disability often lasting from childhood throughout life. The estimated cost of care for these neurological and sensory disorders is about $10.5 billion yearly. Multiple sclerosis alone accounts for a $2 billion economic loss.

It is clear, therefore, that it is very much in the interest of the people of the United States to conduct an all out attack against these disorders. This is the purpose of my bill.

In terms of measuring our present effort I would acknowledge the great strides made by the National Multiple Sclerosis Society which, since 1947, has awarded more than $16 million in grants for research and post-doctoral fellowships to develop cures for these conditions.

We are still a long ways from finding a cure for multiple sclerosis, or MS, which is a disease characterized by the progressive deterioration of the central nervous system. However, our knowledge is increasing by leaps and bounds. Most investigators presently believe that MS is probably the result of an infection contracted at an early age, which does not usually appear as an overt disease until sometime between the ages of 20 and 40. MS is known as the great crippler of young adults striking them down in their prime; there are almost no cases of the onset of MS after age 50.

Fortunately, there is an excellent program of research underway at the National Institutes of Health, specifically within the National Institute of Neurological Diseases and Stroke—NINDS. However, NINDS is just 1 of the 10 Institutes at the National Institutes of Health and has received the least favored treatment in terms of publicity or appropriations.

This is particularly true now that the Congress has authorized major attacks on cancer and heart disease. Last year NINDS received only $116 million as compared for example with $379 million for the National Cancer Institute.

My bill would provide a $100 million increase in the authorizations for NINDS for the next fiscal year, followed by a $125 million increase and a $150 million increase for the second and third year respectively. The measure would authorize six new centers for clincal research into, training in and demonstration of, advanced diagnostic and treatment methods for multiple sclerosis and 14 new clinical research and treatment centers for other neurological and sensory disorders which I have mentioned previously.

In introducing this bill today I hope to give some visibilty to the NINDS and to focus public attention on the need to overcome this series of chronic and crippling diseases. I do not suggest that other diseases or disorders are unimportant, nor do I suggest that other institutes at the National Institutes of Health should be neglected. On the contrary, I believe that they too should receive special attention from the Congress and increased funding. Partcularly is this true for the National Institute for Arthritis and Metabolic Diseases which is almost as underfunded as the National Institute of Neurological Disease and Stroke.

As I noted earlier, arthritis and neurological disorders are quite commonly found in nursing homes and perhaps this accounts for my interest in this bill. I add in closing that I have introduced legislation earlier this session (S. 1825) that would expand the scope of Medicare to provide nursing home and in-home supportive services for disabled individuals. This would be greatly beneficial to families who struggle to help take care of their loved ones who fall victims to these diseases. The bill I introduce today would increase our knowledge and tools to give them better care. I urge its prompt enactment.

By Mr. MOSS:

S. 1960. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under any State program approved under such title, to submit to the State agency administering such program an annual report on the costs incurred in the operation of such nursing home. Referred to the Committee on Finance.

DISCLOSURE OF NURSING HOME COSTS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require nursing homes receiving Federal funds under title 19 of the Social Security Act to submit to the State agency administering the program an annual report of the costs incurred in the operation of such nursing home.

This bill is introduced in recognition of the fact that the taxpayers have a substantial interest in the nursing home industry. In fact, 2 out of every 3 dollars in nursing home revenues come from the public coffers. By reason of this substantial contribution, which amounts to almost $3 billion yearly, the taxpayers are entitled to an accounting of how these funds are spent.

I have said many times that I believe the vast majority of nursing home administrators are honest, and that by and large nursing home rates are too low. On the other hand, there continues to be some indications that a few operators are growing rich at the expense of their patients.

This question of possible profiteering by some health providers is very inflammatory. There is intense feeling on all sides. The latest chapter in this controversy concerns a report prepared by Geomet, Inc. on behalf of the Cleveland Federation for Community Planning, Cleveland, Ohio.

This report was presented to me earlier this year, along with the Federation's summary of it. It proved to be a useful, if controversial document. The report and the summary took a hypothetical nursing home, representing averages in Ohio, and attempted to measure what it would cost an administrator to meet State and Federal standards. The report concluded that if an operator just barely met or did not meet such standards, then substantial profits were possible.

The American Nursing Home Association immediately challenged the assumptions made in the report, and sought to limit the conclusions and implication that might flow from such a report.

I asked the General Accounting Office for an evaluation of the accuracy of the accounting method employed, and the extent to which national implications could be drawn. I received the GAO's report the first week in May and directed that advance copies be made available to the Federation and to the American Nursing Home Association. I am today releasing the GAO evaluation and the reaction to it by both associations.

In my covering letter releasing this document, I state that the controversy over this report points out just how little we know about nursing home costs and profits. If there is greater access to actual books and records, statistics on costs and profits could be developed easily.

The solution to this problem, it seems to me, is simply to require every nursing home to file a financial statement with the State in which it is located. Some States have such a requirement at the

present time, but it should be uniform, applying to every State. HEW and the GAO would have access to this material as a matter of course.

It would, of course, be impractical to audit each statement every year, but such statements, in my judgment, would qualify as documents affecting a person's rights to benefits. A false statement with intent to defraud would carry the 1 year in jail and a $10,000 fine now in section 242 of Public Law 92–603. If not, then false reports would qualify as "false reporting of a material fact as to conditions or operations of a health care facility" which is a misdemeanor subject to up to 6 months imprisonment, a fine of $2,000, or both.

There are, of course, other ways to accomplish these purposes and I am pleased to know that HEW is conducting its own study of nursing home costs and profits. I am most anxious to have the results of any such objective studies.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the GAO evaluation of the Geomet study and the Cleveland Federation summary of it along with the reaction by the American Nursing Home Association and the Cleveland Federation for Community Planning.

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

ANALYSIS OF GEOMET AND CLEVELAND FEDERATION REPORTS BY THE GENERAL ACCOUNTING OFFICE

(Prepared at the request of Senator Frank E. Moss, Chairman of the Subcommittee on Long-Term Care, April 15, 1973.)

STATEMENT OF FACTS

(1) GEOMET report: GEOMET Inc. issued a report entitled "An Evaluation of the Operating Costs and the Cost Impacts of Regulations on Nursing Homes in the State of Ohio" dated September 1972. Their study approach was typical of studies of this nature.

The overall methodology appears reasonable and the findings and conclusions were properly qualified in recognition of the extent and availability of supporting data. However, much of the data presented in the study is based on statistical sampling and analysis and can be misused by persons not familiar with statistical analysis.

Also, in our review of the GEOMET report several questions were raised as follows.

A. The baseline nursing home was assumed to be of the least expensive type of construction. A substantial number of nursing homes in the sample (almost 50 percent) had a more expensive classification of construction than that of the assumed baseline home. Costs related to construction classification would, therefore, tend to be understated. In addition, it appears highly unlikely that a wood frame nursing home with 100 beds would have been built in 1966.

B. A large proportion (30 of 74) of the proprietary homes in the sample were listed as offering only intermediate care yet the baseline home was established as offering only skilled care. This would appear to underestimate the costs for skilled nursing care.

C. The GEOMET report indicated that the sample of nursing homes used to estimate non-personnel costs had significantly greater average bed capacities than would be expected when compared to the nursing homes listed in the State Directory. This would appear to result in lower patient-day costs than would normally prevail for the smaller homes because of economies of scale and spreading fixed costs over a larger patient base.

D. The GEOMET report indicated that about 40 percent of the homes sampled by questionnaire housed neither Medicare nor Medicaid patients. Costs for Medicare and Medicaid could be distorted by the inclusion of nonprovider homes in the cost-estimating procedures.

(2) Federation report: The Federation for Community Planning issued a report entitled "Cost of Nursing Home Care" dated December 1972. The material presented in the Federation report can be traced to figures cited in the GEOMET study report. The Federation, however, did not give adequate consideration to the variations inherent in the GEOMET results, nor did it qualify its conclusions to the extent that GEOMET qualified its data elements.

The Federation's claim of "excess profits" by nursing homes is based on a specific set of assumptions concerning nursing home operations.

The Federation does not state what happens to profits as a result of altering the assumptions nor does it provide evidence to show that its assumptions best describe operating conditions of nursing homes in Cleveland or in the State of Ohio.

The Federation's report appears to overstate revenues in its analysis. It assumed that all patients receive reimbursement for maximum care. It also assumed an occupancy rate of 92 percent. We calculated an average occupancy rate of 85 percent based on data which GEOMET considered more representative of the nursing homes in Ohio. All of GEOMET's cost computations are based on averages and the variation around those averages lead to wide variations in the average total per diem cost. The Federation accepted the average costs computed by GEOMET but did not indicate the range of costs and resultant profits that could exist.

The Federation's report concerns a hypothetical nursing home because the Federation was unable to get either actual costs or revenues of the nursing homes in Ohio. The Federation does not present data to justify that such a home typifies Medicaid skilled nursing homes in Ohio.

(3) Arthur Young report: Arthur Young and Company issued a letter dated February 16, 1973 commenting on the GEOMET and Federation reports. The main points raised by Arthur Young question the applicability of the given sets of assumptions, estimates and data taken out of context by the Federation. These generally correspond with questions raised by our review. Certain items included in the Arthur Young report were based on information not contained in the GEOMET and Federation reports and, therefore, were not subject to evaluation without more background knowledge or more detailed review.

(4) Additional data furnished by the Federation: As a result of our discussion, the Federation provided us with additional data to support the 92 percent occupancy rate for the Cleveland area. While this data tends to support the Federation's claim in this regard, the data was incomplete. In addition, the data furnished by the Federation does not provide a basis to change any of the other weaknesses which we found with the Federation and GEOMET reports.

FEDERATION FOR COMMUNITY PLANNING,
April 30, 1973.

Hon. FRANK E. MOSS,
Chairman, Senate Subcommittee on Long Term Care, New Senate Office Building, Washington, D.C.

DEAR SENATOR MOSS: The Nursing Home Committee has reviewed the advance copy of the GAO's comments on the GEOMET Report and the Federation Statement. We have the following observations.

1. The purpose for the GEOMET Report, and our subsequent statement of interpretation have been lost in the wake of partisan controversy. GEOMET was hired only to ascertain the cost of each federal and state standard in the total expense of operating nursing homes. The Federation wanted to learn whether the amount paid for welfare supported patients was sufficient to reimburse nursing homes for government imposed standards. Upon receipt of the GEOMET Report, the Federation concluded that the income from government payments alone (without consideration of additional income from private paying patients) more than compensate nursing homes for the expense involved in complying with each government imposed standard. The validity of the Report turns upon the accuracy of the price tag placed by GEOMET on the applicable standards and not on the profit and loss statement of any nursing home in actual existence. The accuracy of that price tag has not been challenged by anyone, including the GAO which in fact supports GEOMET's methods and approach.

2. The Report not only priced the standards but in the process also disclosed that 36% of the homes in the official Department of Health data did not hire the required numbers of nursing staff in spite of the more than adequate income from government payments.

3. In order to price the government imposed standards, GEOMET had to develop a hypothetical home which would meet building standards and which then was staffed in accordance with applicable federal and state requirements. The persistent attempt by those who have reviewed the Report to match the cost figures estimated by GEOMET for the operation of its 15, 25, 50 and 100 bed size homes with actual homes of the same bed size avoids facing up to the true meaning and purpose of the Report and, in addition, is a futile exercise because of the myriad of possible variations from the hypothetical. Since, however, this has been the approach of the critics, and is reflected in the GAO comments, the Nursing Home Committee offers the following as samples of the errors which have resulted from a failure to comprehend the thrust of the GEOMET Report and the facts on which it is based.

A. It is suggested that the type of construction used for the hypothetical home resulted in lower estimated costs than would be true in reality. This charge is baseless. As reported by the Ohio Department of Health, 68% of nursing homes in Ohio are in fact the very type of construction used for the hypothetical home. This data is also reflected in the sample used by GEOMET. Furthermore, in the GEOMET sample 15 homes range in bed capacity from 90 to 200. Of these homes, seven are of the least expensive construction; some were in fact built after the base year of 1968; and the largest home in the sample, a 200 bed home, was built in 1968 of the cheapest construction.

B. The presence of intermediate care homes in the GEOMET sample has no effect whatsoever on the costs of operation of any classification of home. The standards which determine the costs of operation, and which were the subject of the GEOMET study, vary with the bed capacity of the home and not with the needs of the patients. Approximately 95% of government supported patients are classified by the Welfare Department as needing only general nursing care. That type care is given in any Ohio nursing home regardless of its certification as "intermediate", "skilled" or "extended". The certification classification therefore primarily affects the income and not the costs of operation under the standards.

C. The Ohio building standards require much less footage per bed than that assigned by GEOMET to the hypothetical home. To

the extent that existing nursing homes are no larger than required by the building code, the costs of operation will be less than estimated by GEOMET. Furthermore, the GEOMET home is built on much larger acreage than would be found in reality for the majority of small nursing homes in urban settings. Again the impact on actual costs would be less, not more, than those estimated by GEOMET.

D. The GEOMET Report stated that 94% of the homes in the questionnaire sample had Medicaid or Medicare patients, rather than 60% as asserted by GAO. More important, however, the questionnaire sample was not the basis for determining the costs of the standards. The cost of each standard is constant regardless of the needs of a patient and of the amount or source of revenue generated by that patient for the home. Therefore, GEOMET quite properly estimated the cost by an objective method independent of the profit and loss statement of any nursing home.

4. In its Statement, the Nursing Home Committee used the GEOMET figure of 92% for average occupancy in computing the estimated 1970 income of a 50 and 100 bed home in the Cleveland area. Because the Committee's concern is with the adequacy of the government reimbursement rates, the income was figured only as the amount paid for "intermediate" care; and in a second computation, the amount paid for Medicaid "skilled" care. The Committee's method in fact understated the income. Those homes in the Cleveland area which take Medicaid patients ("intermediate" or "skilled") had a 94%—not 92%—occupancy in 1970. A significant majority of the homes had additional income from private paying patients. In the few homes in which the number of private patients were insignificant, the general occupancy rate was higher than 94%. Thus the assumptions used by the Committee were clearly conservative.

5. The GEOMET Report was designed to show the costs of applicable standards. Where, therefore, the costs of operation for an actual home varies from the same size home in the GEOMET cost estimations, it is the burden of the home to show the cause which underlies this variance. A home may, for example, operate with staffing above the minimum required; the type construction may be more expensive; the occupancy rate may be less than 92%; management may be inefficient; the quality and quantity of food or other supplies may be different than averaged by GEOMET; or the amount of wages may be greater than the mean. All of these factors, and many more, may account for a cost variation in a real home from the home hypothesized by GEOMET. Nevertheless, the cost of the standard in each home which pays the average estimated cost will be the same. That government induced cost, and not the cost of an individual operation, was the subject of the GEOMET Report.

Yours very truly,

MARY ADELAIDE MENDELSON,
Staff Director, Nursing Home Project.

GAO REPORT VINDICATES NURSING HOME POSITION

WASHINGTON.—The American Nursing Home Association today hailed a General Accounting Office report strongly challenging the accuracy of charges made by a Cleveland consumer action group that Ohio nursing home profits are excessive.

Dr. Thomas G. Bell, ANHA executive vice president, said, "Today's GAO report supports what we have been saying all along: that the allegations made by the Federation of Community Planning are totally misleading. We are happy that the GAO report supports us in setting the record straight."

The GAO report was released today by Sen. Frank Moss (D-Utah), chairman of the Subcommittee on Long Term Care of the Senate's Special Committee on Aging.

"I am happy to receive the results of the General Accounting Office's review, made at my request," said Sen. Moss "because it does focus our attention on the need for objectivity in evaluating reports such as the one put out by the Cleveland Federation of Community Planning."

The Cleveland organization's charges were made last December in a report entitled "Cost of Nursing Home Care."

Dr. Bell, in welcoming the GAO report, was highly critical of statements made in a memorandum and a press release accompanying the Cleveland group's report. He said the statements "in no way are supported by facts."

The FCP statements to which Dr. Bell referred indicated that Medicaid and Medicare reimbursements were excessive in that they permitted Ohio nursing homes to meet all federal and state standards and still make excessive profits.

By Mr. MAGNUSON:

S. 1962. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce. Referred to the Committee on Finance.

Mr. MAGNUSON. Mr. President, I introduce for appropriate reference the State taxation of multistate taxpayers Act of 1973 and ask that it be printed in the RECORD.

(See exhibit 1.)

INTRODUCTION

Mr. MAGNUSON. Mr. President, the bill, hereinafter referred to as "the act," was drafted by an expanded Ad Hoc Committee on Taxation of Interstate Business which met in Seattle on June 8–9, 1971, to reconcile differences of opinion which had developed over the original ad hoc proposal. The ad hoc committee, as originally constituted and as expanded for the Seattle meeting has no official status. It is a volunteer and self-appointed group of State tax administrators and business representatives.

The original ad hoc committee grew out of conversations early in 1969 between the cochairmen, George Kinnear, director, Department of Revenue, State of Washington, and then chairman of the Multistate Tax Commission, and Leonard E. Kust, a partner in the New York law firm of Cadwalader, Wickersham & Taft, and then vice president and general tax counsel, Westinghouse Electric Corp. These conversations were concerned with the seemingly unbridgeable gap between the views of State tax administrators and business, and the stultifying effect of the conflicts involved on the prospects for reasonable solutions for the problems of taxation of interstate business. The conversations culminated in agreement to strive jointly to organize a committee which would seek to bridge the gap in views by identifying the areas of agreement and of disagreement and working out some reasonable accord in the areas of disagreement.

The original ad hoc committee was organized with the understanding that the members were not representing the organization with which they were connected nor any other organizations with which they were associated. The members represented only their own views based upon their concern with the problems involved, their experience and knowledge with respect to such problems and their good will in committing themselves to seeking a reconciliation of views as to solutions for these problems.

After a year's exposure of the original ad hoc proposal and its consideration by various interested groups, an expanded ad hoc committee met in Seattle, Wash., on June 8 and 9, 1971. Attached is a list of the members of the committee. The purpose of this meeting was to reconcile differences of viewpoint and to develop necessary changes in those provisions of the original proposal which, despite the effort of the original ad hoc committee, remained unacceptably controversial. In addition to the 12-months exposure of the original proposal, the expanded committee also had the benefit of the plan developed by the Multistate Tax Commission as a guide in its deliberations.

The new expanded ad hoc committee did not purport to represent any viewpoint other than that of its individual members. While the revised ad hoc bill purports to be a result of a consensus of opinion expressed at the Seattle meeting, it has been aptly referred to as representing an uneasy consensus. There was no formal vote taken or record made of the proceedings. It was recognized at the meeting that those in attendance were completely free to voice later objection to any provision of the draft. This commentary must necessarily reflect the understanding of its authors. The provisions of the revised ad hoc bill and the commentary herein pertaining to the same has been developed within this context after giving ample opportunity to members of the committee to comment on an initial draft of the revised ad hoc bill.

GENERAL

The general conception of the proposals to which the original ad hoc committee was committed from its beginning in 1969, is that the solutions to the problems of multistate taxation of interstate business should be implemented through a merger of the multistate tax compact approach and the Federal legislation approach. The objective of such a merger of approaches is to preserve as far as possible administrative authority in the States by requiring the States to act, in certain areas, through the machinery of an interstate tax compact consented to by the Congress and serving as the agency to implement uniform standards established under Federal legislation.

Such a structure would provide flexibility for adjustment and evolution to improve the system for taxation of interstate business. With the Multistate Tax Commission under the compact acting as the administrative agency it could implement and modify, within the limits of permissible administrative interpretation, the legislative standards under Federal law, and when the need for changes exceeded the bounds of permissible administrative interpretation the Commission could seek amendments to the Federal legislation.

Moreover, under the committee structure of the multistate tax compact any

proposal for amendment of the Federal legislation will have been preceded by extensive discussions between State administrators and business representatives and will presumably, therefore, be presented to the Congress with a substantial consensus of support.

Under this conception, it was agreed by the original ad hoc committee and the expanded ad hoc committee that Public Law 86–272 was adequate as a jurisdictional standard for income taxes; that Federal legislation should codify the existing judicially prescribed jurisdictional standard for sales and use taxes; and that it should provide an optional uniform apportionment formula for income taxes eliminating the distinction between "business" and "nonbusiness" income. It was further agreed that Federal legislation should prescribe standards for sales and use taxes; grant authority to the Multistate Tax Commission to promulgate rules and regulations implementing the Federal legislation; and that the Federal standards should be applicable to all businesses irrespective of size.

There were divergent opinions concerning the tax status of dividends for income tax purposes, both in the original ad hoc committee and in the expanded committee as well as differences concerning the question of the need for and standards for requiring State income taxes to be imposed on the basis of consolidated or combined reporting. There were also unresolved differences of opinion concerning the taxation of so-called foreign source income and foreign corporations. There was also no general agreement pertaining to modification of the Uniform Division of Income for Tax Purposes Act as set forth in article IV of the multistate tax compact. Members of the business community wanted to eliminate the attribution of sales to the State of origin if the destination State lacked jurisdiction to tax. State representatives on the other hand were desirous of having all sales attributable only to a State which had jurisdiction to tax under Public Law 86–272.

Both the original and expanded ad hoc Committee proposals contemplate that the Congress will direct the House Judiciary Committee and the Senate Finance Committee to continue to evaluate the progress being made and, if at the end of 5 years the progress is not satisfactory, it is assumed that legislation implementing an alternative approach to reliance on the multistate tax compact will be developed.

The following comments on specific provisions, unless otherwise indicated, pertain to the work of the original ad hoc committee as revised by the expanded ad hoc committee:

COMMENTS ON SPECIFIC PROVISIONS

TITLE I.—*Consent to enter into Compact and conferral of powers upon Compact Commission.*

Title I is structured on the Magnuson Bill (S. 1883) and is designed to provide for the consent of Congress to the existing Multistate Tax Compact.

Sections 101 and 102 provide for Congressional consent to and identification of the Multistate Compact.

The purpose of Section 103 is to prevent a corporation from electing to have its income tax liability determined by reference to the allocation and apportionment provisions of the existing Compact. Alternatively, Title III provides a maximum for income attributable to taxing jurisdiction computed under the provisions of this Act. Thus, for taxable years ending after the effective date of the Act the allocation and apportionment rules of the proposed Act rather than those set forth in the existing Compact would be applicable.

Thus, Section 103 prevents a corporation from having, in effect, a three-way choice in compact states, *i.e.*, state laws apart from the Compact, Article IV of the Compact, and Title III of the proposed federal Act. Accordingly, Section 103 restricts a corporation to the choice of either state law apart from the Compact, or Title III of the federal Act.

Section 104 confers on the Commission the power to adopt rules and regulations for the administration of the federal standards set forth in the Act. The question of whether Congress may delegate this power to the Commission was considered by the original ad hoc committee. The ad hoc committee satisfied itself with the advice of eminent counsel that this delegation is constitutional. See *Parden v. Terminal R. of Alabama Docks Dept.*, 377 U.S. 184, 12 L. Ed. 2d 233, 84 S. Ct. 1207 (1964). Section 104 provides, however, that no rule or regulation adopted by the Multistate Tax Commission (hereinafter referred to as the Commission) will be in effect in any state if that state rejects the rule or regulation in accordance with the procedures it would use in the adoption of any rule or regulation in its administration of the tax law which constitutes the subject matter of the Commission rule or regulation.

Also, section 104 provides for the participation of all the states whether or not regular members of the Commission in those deliberations and procedures to be followed by the Commission in the adoption of any rule or regulation. State sovereignty is thus preserved by affording each state the opportunity (1) of participating in the rule or regulation making function, (2) to administratively reject any rule or regulation adopted by the Commission, and (3) to use its own procedures in any proceedings pertaining to the rejection of any proposed rule or regulation. This approach, embodied in section 104, represents the rejection of the original ad hoc proposal, which would have made the Commission's regulations automatically binding on all states, and acceptance of the position that the Commission's rules and regulations should be essentially advisory. However, non-uniformity resulting from state administrative inaction, if any, is prevented.

TITLE II.—*Jurisdiction to Tax.*

Title II is limited in its appplication to the codification of existing sales and use tax jurisdictional standards, except that it prescribes the "business location" or regular delivery other than by common carrier or U.S. mail standards for local sales or use taxes which are not imposed by uniform state law and collected by the state. This standard is set forth in section 405. Any reference to capital stock and gross receipts taxes in the original ad hoc bill have been deleted with respect to the sales and use tax jurisdictional standards. No substantive change has been made from the original ad hoc proposal.

Under the Rodino Bill (H.R. 1538) the jurisdictional standard for net income taxes would be applicable only to "small" corporations but the jurisdictional standard with respect to collection of sales or use taxes would be generally applicable. As with respect to all provisions of the Act, the jurisdictional standard proposed by the Committee are, as in the Ribicoff Bill (S. 317), applicable wtihout distinction betwen large and small corporations.

In the case of net income taxes, this gave rise to little difference of view among members of the Committees. In order, however, to minimize changes in existing law, it was agreed the jurisdictional limitations of Public Law 86–272 are adequate for purposes of the net income tax and are preferable to the "business location" tests of the Rodino and Ribicoff Bills.

In the original ad hoc committee, the major controversy as to jurisdiction arose with respect to the imposition of the obligation to collect a sales or use tax on interstate sales of tangible personal property. The Rodino and Ribicoff Bills would not permit States or political subdivisions to impose on a seller such an obligation unless the seller has a business location in the State or regularly makes household deliveries in the State. The Talcott Bill (H.R. 4267), on the other hand, would enlarge regular deliveries to cover all deliveries in the State other than by common carrier or United States mail, and in addition would extend jurisdiction to regular solicitation by means of salesmen, solicitors or representatives in the State, except where the solicitation is solely by direct mail or advertising by means of newspapers, radio or television. Thus, the Talcott Bill in effect codifies the decisions of the Supreme Court in *Scripto, Inc.* v. *Carson* and *National Bellas Hess, Inc.* v. *Illinois Department of Revenue.*

The merits of the differing standards were debated at length in the meetings of the regional ad hoc committee. It was recognized that the conflict was between the interests of business, mainly of small business, opposing undue burdens of collection of tax on interstate sales and the interests of the States in assuring reasonable effective enforcement of their tax with respect to interstate sales. In analyzing the problems it became clear, however, that neither the Rodino nor the Ribicoff Bills dealt effectively with the far more important problem of the power of political subdivisions to impose the obligation to collect sales and use tax on the interstate seller.

It is one thing for the small interstate seller to contend with the collection requirements of 50 states and quite another, and more serious matter, for both small and large business to deal with the varying collection requirements of thousands of political subdivisions. The trend among States toward allowing political subdivisions to impose sales and use taxes and to require collection of such taxes by the seller is accelerating. The Committee felt that this problem was a more serious problem than the question of whether the jurisdictional standard with respect to State power should be that in the Rodino and Ribicoff Bills or that in the Talcott Bill.

Consequently, there was a consensus that the jurisdictional standards of the Talcott Bill, codifying existing law, should be adopted but that the power of a State or a political subdivision with respect to an interstate sale should be made clearly subject to the limitations of Section 405 of the Act, similar to Section 205 of the Talcott Bill. That Section provides, as does Section 305 of the Rodino and Ribicoff Bills, that a seller need not classify interstate sales according to geographic areas of a State, except those sales with destinations in political subdivisions in which the seller has a business location or regularly makes deliveries.

By cross-referencing the jurisdictional provisions of Section 201 to the classification provisions of Section 405, political subdivisions will be effectively prohibited from imposing the obligation on a seller to collect tax on an interstate sale unless that seller has a business location or makes regular deliveries in the political subdivision. However,

where the local tax is imposed in all geographic areas of the State on like transactions at the same combined State and local rate, administered by the State, and uniformly applied so that a seller would not be required to classify interstate sales according to geographic areas of the State, the jurisdictional standard in Section 201 would apply.

Under the jurisdictional standards of Section 101 of the Rodino and Ribicoff Bills, a political subdivision has power to impose the obligation to collect tax on an interstate sale if the seller is subject to the jurisdiction of the State, regardless of whether or not the jurisdictional standard is satisfied in the political subdivision. The effect of the classification provisions of those Bills is obscure, particularly since they refer to classification for "tax accounting" rather than for "tax collection" purposes. The latter term is used in Section 405 of the Act.

The Committee believes that both small and large business are more interested in limiting the power of political subdivisions to require collection of tax on interstate sales where there is not a clear jurisdictional presence in the political subdivision than they are in "rolling back" the present judicially prescribed jurisdictional standard with respect to State-level taxes.

In order to permit States and political subdivisions to adjust to the limitations on the power to require collection of sales or use taxes on interstate sales imposed by political subdivisions, Section 405 of the Act is not effective until July 1, 1976.

While Sections 101 of the Rodino and Ribicoff Bills, as well as comparable provisions of the original Ad Hoc Bill, prescribed jurisdictional standards for both capital stock and gross receipt taxes, the expanded ad hoc committee deleted all references to capital stock and gross receipts taxes as it was deemed more prudent to lay the proper foundation in dealing with the substantive provisions relating to the more pressing problems of income and sales and use taxes, perhaps as a future guide for resolutions of the many other interstate business tax problems.

TITLE III.—*Maximum Income Attributable to Taxing Jurisdiction.*

The first problem with which the original Ad Hoc Committee was confronted regarding a uniform apportionment formula for income tax purposes was the question of whether the formula should include only two factors, property and payroll, or should include a third factor, sales. The 2-factor formula which was included for general application in the original Willis Bill (H.R. 11798) encountered the determined opposition of the states and much of the business community.

The original Ad Hoc Committee agreed from the outset that there should be no distinction between large and small business and that the 3-factor formula, since it represented the practice of most of the states having corporate net income taxes, was to be preferred to the 2-factor formula.

The Uniform Division of Income for Tax Purposes Act (UDITPA) was taken as a guide. UDITPA has been adopted by a number of states, although with variations, and is incorporated in the existing Multistate Tax Compact.

One of the least satisfactory aspects of UDITPA has been its attempted distinction between "business" and "nonbusiness" income, the latter the subject of specific allocation rather than apportionment under the formula. The Committee decided that with the exception of dividends all of the taxable income of corporations subject to the Act should be apportioned among the several states in accordance with the apportionment formula. There was a sharp divergence of opinion in regard to the question of exclusion of any income from the tax base ceiling such as foreign source and divided income.

Title III sets forth the ceiling beyond which a state or a political subdivision cannot go in imposing its income tax for any taxable year on a corporation taxable in more than one state. References in the original ad hoc bill to capital stock and gross receipts taxes have been deleted for the reasons previously stated. As in the original proposal, the Title is not applicable to "excluded corporations" which are defined in section 504. No state or political subdivision is required to incorporate into their income tax law any of the provisions of this Title. The limitations imposed on a state's political subdivisions are identical with those limitations imposed on a state (section 305). This Title (1) sets forth an optional three factor apportionment formula; (2) exempts from state and local taxation income described in section 951(a)(1) of the Internal Revenue Code (section 306(a)); (3) exempts dividends paid by a corporation in which taxpayer owns 80% of the voting stock relating thereto and prohibits any offsetting adjustments related to such dividends; and (4) assigns all other dividend income, otherwise taxable, to the commercial domicile. In the original ad hoc proposal all dividends were subject to tax at the commercial domicile of the corporation.

The committee deemed it advisable to adopt provisions similar to the "taxable in more than one state" concept embodied in UDITPA, so as to describe the circumstances under which the apportionment formula would apply, and for purposes of determining whether interstate sales were assignable to destination or subject to the "throwback" provision. Such concept is incorporated in section 301(d). Provision is also made for tolling the statute of limitation where the taxpayer's liability changes due to the reassignment of sales.

One of the most controversial problems considered by the Committee was the question of the consolidation or combination of income of related corporations, where one corporation is subject to the jurisdiction of the State but the other corporation is not. Conflicting and apparently irreconcilable views are held with respect to the solution of the problems involved.

It is obvious that if one or more States consolidated related companies and other States do not, the application of even a uniform apportionment formula will result in taxation of either more or less than 100% of the consolidated income. On the other hand, nationwide uniformity will eliminate the problem. Whatever the standards for consolidation may be, they must be uniformly applied among the States. Related corporations should either be consolidated in all of the States or in none of the States, unless a particular State and the taxpayer agree otherwise.

There was agreement within the Committee that potential "whip-sawing" of a taxpayer should be eliminated. The intransigent controversy centered on whether consolidation should be permitted and if it was on what should be the standards applicable to determination of when consolidation was appropriate.

The initial Ad Hoc Bill sought to bridge the differences in view by permitting consolidation subject to rebuttable presumptions based upon quantitative tests of intragroup flow of goods and services. These standards, however, continued to be controversial and have been abandoned in the revised Ad Hoc Bill.

Section 301(d) permits apportionable income, at the option of either the state or the taxpayer, to be determined by reference to the combined apportionable income and apportionment factors of all corporations of an affiliated group of which the taxpayer is a member. Affiliated group as used in section 301(d) is defined in section 505 to include corporations meeting the 80% of the voting stock ownership test (corporate or noncorporate) exclusive of the affiliated corporations deriving income from sources outside the United States.

This is a substantial change from the original Ad Hoc proposal which had contained the quantitative flow of goods and services test to determine when a corporation's income tax liability should be determined on a combined basis. In order to assure uniform application of combined reporting requirements under the quantitative flow of goods and services rebuttable presumption tests, the original Ad Hoc Bill would have created a Multistate Tax Appeal Board as an independent agency of the Commission to adjudicate disputes arising under such proposal. Since section 301(d) has been redrafted to permit any corporation of an affiliated group to elect or be required by a state to file a combined report, the need for the appeal board has been eliminated and the title providing for such agency has been deleted.

It was agreed that in a consolidation dividends from affiliates should be excluded from consolidated income.

It was also agreed that foreign source income should be excluded, since consolidation should legitimately seek only to bring income earned within the United States into the consolidated income to be apportioned among the 50 States. There was strong disagreement, however, as to whether foreign source income should be defined according to Federal source rules or whether sole reliance should be placed upon the appointment formula to determine foreign source income of affiliated corporations included in the consolidation.

The disagreement with respect to foreign source income was finally resolved by the proposal that in the case of affiliated corporations, such as Western Hemisphere Trade Corporations, possessions companies and China Trade Act Corporations under the Internal Revenue Code, where the Internal Revenue Service would of necessity in each year determine the amount of foreign source income of such companies and under Section 482 would determine that such income was clearly reflected in such companies, the Federal rules would be accepted and such companies would be excluded from a consolidation. On the other hand, any other foreign or domestic company would be excluded from a consolidation only if at least 90% of its income was from foreign sources, determined by separate application to it of the apportionment formula under Title III of the Act. For this purpose the "throw-back" rule, with respect to the location of sales for purposes of the numerator of the sales fraction, would be inapplicable, since this rule is not pertinent to the determination of where income is earned by application of the apportionment formula.

These provisions designed to eliminate foreign source income are incorporated in the definition of an affiliated corporation in Section 505 of the Act.

The optional three factor apportionment formula consists of the factors or property, payroll, and sales. The property factor is based upon the valuation of property at its original cost and leased property at eight times the gross rental. The payroll factor includes the total amount paid as compensation. Full accountability of the property and compensation factors is required since the sum of the numerators for the states in which the corporation is taxable, must be the same as the denominator used in those factors. This was not expressly provided for in the original ad hoc proposal.

Section 304, the sales factor, achieves full accountability through the "throw-back rule" which assigns sales to the origin state if the destination state lacks jurisdiction to impose tax. Export sales, however, other than export sales to the U.S. Government, are as-

signed to the foreign destination. The committee agreed that export sales, except for export sales to the U.S. Government, should not be subject to the "throw-back" provisions. The "throw-back" provisions properly apply where the nationally imposed jurisdictional standards prevent the destination state from imposing tax, but such justification is lacking where sales have a destination in foreign countries, since such countries are subject neither to the jurisdictional standards nor the uniform apportionment formula imposed on the states.

The sales factor is generally defined as the fraction the numerator of which is the sales of the corporation which are located in the state during the tax year and the denominator of which is the total sales by the corporation everywhere during the tax year. The original ad hoc proposal did not contain any special provision for either sales to the United States Government or to foreign countries.

Sales of services are assigned to the state where services are performed based on direct costs of performance and receipts from rentals of tangible personal property are assigned to location of the property. Sales of real estate, if the corporation is engaged primarily in the sale of real estate, are assigned to location of the real estate. Sales of other tangible personal property are assigned on a destination basis. All other receipts are eliminated from both the denominator and numerator of the sales factor.

Section 305 of the Act is based upon Section 206 of the Rodino Bill.

As discussed earlier, Section 306, dealing with exclusions from apportionable income, exempts foreign source income and assigns dividends received from subsidiaries meeting the 80% ownership test to the taxpayer's commercial domicile. Offsetting adjustments for interest and other expenses are prohibited.

TITLE IV.—*Sales and Use Taxes.*

Uniform standards with respect to sales and use taxes were perhaps less controversial than any of the areas to which the Committee addressed itself. The Committee was largely able to agree on the standards contained in the Rodino, Ribicoff and Talcott Bills, with some modifications deemed to be an improvement.

The provisions of this title in the draft are comparable to the provisions in the original ad hoc bill, and the Talcott Bill. Section 401 (a) defines a location of a sale to be in the destination state and permits a contiguous state or political subdivision thereof to enter into reciprocal collection agreements as provided for in Section 406. Section 406 in turn, when authorized by state law and reciprocal agreement, requires a seller with a business location to collect use tax on sales he makes into a state which does not have jurisdiction to require collection under Section 201. Section 401(b) provides a use tax credit for prior sales taxes to another state. Section 401(c) provides for a refund for the overpayment of a use tax. Section 401(d) places a limitation on credit for prior taxes for the respective taxes which are measured by periodic payments made under a lease. Section 401(e) exempts vehicles and motor fuels from the provisions of Title IV.

Section 402 is the same as Section 202 of the Talcott Bill. It exempts household goods and motor vehicles from use tax if acquired and used by the person for a period of 90 days or more before he brings the property into the state for use there as a resident.

Section 403 deals with the treatment of transportation charges with respect to interstate sales. This section conforms to Section 203 of the Talcott Bill without precluding a state from requiring an instate purchaser to pay tax on freight charges.

Section 404 concerns the use tax collection liability of sellers on sales claimed to be exempt by the purchaser. It relieves the seller from any liability if the purchaser of the property furnishes to the seller a certificate or other written form of evidence indicating that the property is acquired for an exempt purpose.

Section 405 has been commented on in reference to jurisdictional limitations provided in Section 201. It should be noted that while Section 405 by its language only precludes classification of interstate sales for use tax collection purposes by a seller, the purpose of Section 405 is to require uniform state collection and administration of local sales or use taxes imposed on interstate sales. Because the provisions of Section 405 may have some significant effect on local revenues, Section 523 postpones its effective date to on or after July 1, 1976.

TITLE V.—*Definitions and Miscellaneous Provisions.*

The definitions contained in part A of this Title generally are those set forth in the original ad hoc proposal which were based upon the definitions contained in Part A, Title V of the Rodino and Ribicoff Bills, with minor changes except any references to gross receipts or capital stock taxes are deleted from the definitions. Section 501 defines a net income tax, Section 502, a sales tax, and Section 503, a use tax. Section 504 defines an excluded corporation which term is used in Section 301(a) to delineate the scope of Title III. Thus, the income tax provisions of the proposed bill do not pertain to an excluded corporation. An excluded corporation generally includes various financial organizations and public utilities.

Section 505 defines an affiliated corporation and is based upon Section 1504 of the Internal Revenue Code with changes in structure and modifications to take into account companies controlled by a noncorporate common owner. The term "affiliated corporation" defines corporations which can be required or permitted to file a combined report, as provided in Section 301(d). There is expected from an affiliated corporation (1) excluded corporations defined in Section 504, (2) Western Hemisphere Trade Corporation as defined in Section 921 of the Internal Revenue Code, (3) possession companies as defined in Section 931 of the Internal Revenue Code, (4) corporations entitled to the special deduction for China Trade Act corporations under Section 941 of the Internal Revenue Code, and (5) corporations substantially all of the income of which is derived from sources without the United States.

Section 506 defines sale to include leases and rental payments under leases for the purposes of Title IV. Section 507 defines an interstate sale and Section 508 defines destination.

Section 509 defines business location. This term is used in the Act only in regard to sales and use tax jurisdiction. Section 510 defines the location of property and Section 511 defines the location of an employee for Title III income apportionment purposes. Section 512 defines state and Section 513, state law, Section 514, taxable year, Section 515, compensation, Section 516, commercial domicile and Section 517 defines dividends.

Part (b) of Title V contains the miscellaneous provisions. Section 518 permits the imposition of franchise tax as a revenue measure even though technically imposed on the privilege of engaging exclusively in interstate commerce. Section 519 prohibits geographical discrimination. Section 520 indicates that the proposed act does not repeal Public Law 86–272 with respect to any person or to increase or otherwise affect the power of any state or political subdivision to impose or assess a net income tax with respect to an excluded corporation. Section 521 prohibits out of state audit charges. Section 522 limits the liability with respect to unassessed taxes which a state or political subdivision would have no power to impose after the date of the enactment of the proposed Act. Section 523 pertains to effective dates. The provisions of the Act will take effect on the date of its enactment unless otherwise provided. Section 405 (pertaining to local sales and use taxes) is to be effective for unassessed taxes as provided in Section 522.

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

EXHIBIT 1

S. 1962

TITLE I—GENERAL PROVISIONS

DEFINITIONS

SEC. 101. As used in this Act—

(1) "Affiliated", with respect to two or more corporations, means that they are not excluded corporations, are members of the same group, and that such group is comprised of one or more corporate members who are connected through stock ownership with a common corporate or noncorporate owner to the extent that fifty per centum or more of the voting stock of each member other than the common owner is owned directly by one or more of the other members and fifty per centum or more of the voting stock of at least one of the members other than the common owner is owned directly by the common owner.

(2) "Arm's length transaction" means a transaction between two or more affiliated corporations which is consummated at a consideration which is substantially equivalent to the amount which would have been charged in a similar transaction under similar circumstances, with respect to all relevant facts, between two or more unrelated corporations; a "non-arm's-length transaction" means a transaction between two or more affiliated corporations which is consummated at a consideration which is larger or smaller than the amount which would have been charged in a similar transaction under similar circumstances, with respect to all relevant facts, between two or more unrelated corporations.

(3) "Base of operations", with respect to a corporation's moving property, means the premises at which any such property is regularly maintained by such corporation or any other person, except that if the premises are maintained by an employee of such corporation primarily as a dwelling place they shall not be considered to constitute a base of operations.

(4) "Business location within a State", with respect to any person, means that such person—

(A) owns or leases real property within such State;

(B) has one or more employees located in such State;

(C) regularly maintains a stock of tangible personal property in such State for sale in the ordinary course of his business except that such property which is on consignment in the hands of a consignee and is offered for sale by such consignee on his own account is not such stock; or

(D) regularly leases tangible personal property to other persons for use in such State, except that such person shall be considered to have a business location within such State only with respect to such leased property.

(5) "Capital account tax" means any capital stock tax which is measured by number of shares, par or nominal value of shares, paid-in capital, or the like, not including any tax the measure of which includes any element of earned surplus.

(6) "Capital stock tax" means any tax which is measured in any way by the capital of a corporation.

(7) "Commercial domicile" means the principal place from which the trade or business of a taxpayer is directed or managed.

(8) "Destination", with respect to a sale,

means the point within a State or political subdivision thereof in which possession of the property is physically transferred to the purchaser, or to which the property is shipped by the seller to the purchaser, regardless of the free on board point or other conditions of such sale.

(9) "Dividends" shall have the same meaning as that term has under the Internal Revenue Code of 1954, including any sum treated as a dividend under section 78 of such Code (26 U.S.C. 78).

(10) "Employee" shall have the same meaning as that term has for purposes of Federal income tax withholding under chapter 24 of the Internal Revenue Code of 1954.

(11) "Excluded corporation" means a bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, small loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, any type of insurance company, a corporation which derives ninety per centum or more of its gross income from interest (including discount), or a corporation which derives fifty per centum or more of its ordinary gross income for the taxable year from regularly carrying on the transportation for hire of property or passengers (including the rendering of services incidental to such transportation) or from the sale of electrical energy, gas, or water.

(12) "Gross receipts tax" means any tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax a net income tax.

(13) "Income from sources without the United States" shall have the same meaning as that phrase has in the Internal Revenue Code of 1954, except that section 638 of such Code (26 U.S.C. 638) shall not apply.

(14) "Interstate sale" means a sale in which the tangible personal property sold is shipped or delivered to the purchaser in the State from a point outside such State.

(15) "Localized in a State", with respect to the operation of property, means that during the taxable year such property is operated entirely within such State, or is operated both within and without such State provided that the operation without such State is occasional, incidental to its use in the transportation of property or passengers from points within such State, or incidental to its use in the production, construction, or maintenance of other property located in such State.

(16) "New income tax" means a tax which is imposed on or measured by net income, including any tax which is imposed on or measured by an amount arrived at by deducting from gross income expenses one or more forms of which are not specifically and directly related to particular transactions.

(17) "Ordinary gross income" means gross income as determined for the taxable year under the applicable provisions of the Internal Revenue Code of 1954, except that there shall be excluded therefrom—

(A) all gains and losses from the sale or other disposition of capital assets; and

(B) all gains and losses from the sale or other disposition of property of a character described in section 1231(b) of the Internal Revenue Code of 1954 (26 U.S.C. 1231(b)) (determined without regard to holding period).

(18) "Person" means an individual, corporation, partnership, joint-stock company, business trust, estate, association, or any organized group of individuals whether or not incorporated.

(19) "Sale," for purposes of Title III of this Act, shall be deemed to include leases and rental payments under leases.

(20) "Sales tax" means a tax imposed with respect to sales which is measured by the sales price of tangible personal property or services with respect thereto and which is required by State law to be stated separately from the sales price by the seller or which is customarily stated separately from the sales price.

(21) "State" means any State and the District of Columbia.

(22) "State law," "the laws of the State," and similar phrases in this Act shall be deemed to include a State constitution, the statutes and other legislative acts, judicial decisions, and the administrative regulations and rulings of a State and any political subdivision thereof.

(23) "Taxpayer" means any person subject to a tax under the applicable State law.

(24) "Taxable year," with respect to a corporation, means the calendar year, fiscal year, or other period upon the basis of which its taxable income is computed for purposes of the Federal income tax.

(25) "United States" includes only the States and the District of Columbia.

(26) "Use tax" means a nonrecurring tax, other than a sales tax, which is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership of such property or the leasing of such property from another person, including any consumption, keeping, retention, or other use of such property.

LOCATION OF PROPERTY AND EMPLOYEES

SEC. 102. (a)(1) Except as otherwise provided in this subsection, property shall be considered to be located in a State if it is physically present in such State.

(2) Personal property which is characteristically moving property, such as a motor vehicle, rolling stock, aircraft, vessel, or mobile equipment, shall be considered to be located in a State if the operation of the property is localized in such State or if the operation of the property is not localized in any State but the principal base of operations from which the property is regularly sent out is in such State. If the operation of the property is not localized in any State and there is no principal base of operations in any State from which the property is regularly sent out, such property shall not be considered to be located in any State for purposes of inclusion in either the numerator or the denominator of the property factor.

(b) An employee shall be considered to be located in a State if—

(1) the employee's service is performed entirely within the State;

(2) the employee's service is performed both within and without the State, but the service performed without the State is incidental to the employee's service within the State; or

(3) some of the employee's service is performed within the State and—

(A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled, is in the State; or

(B) the base of operations or the place from which the service is directed or controlled is not in any State in which some part of the service is performed, but the employee's residence is in the State.

An employee shall not be considered to be located in a State if his employer has no business location in such State and if his only business activities within such State on behalf of his employer consist exclusively of

(i) the solicitation of orders, for sales of tangible personal property, which orders are sent outside the State for approval or rejection and which (if approved) are filled by shipment or delivery from a point outside such State;

(ii) the solicitation of orders in the name of or for the benefit of a prospective customer of his employer, if orders by such customer to such employer to enable such customer to fill orders resulting from such solicitation are orders as described in paragraph (i) of this subsection; or

(iii) the installing or repairing of tangible personal property which is the subject of interstate sale by the employer, if such installing or repairing is incidental to the sale.

UNIFORM JURISDICTION STANDARD FOR TAXATION

SEC. 103. No State or political subdivision thereof may—

(a) impose a net income tax or a capital stock tax on any corporation unless such corporation maintains a business location therein during a substantial portion of the taxable year;

(b) impose a gross receipts tax with respect to any sale of tangible personal property unless the seller of such property maintains a business location therein;

(c) require any person to collect and remit a sales or use tax with respect to an interstate sale of tangible personal property unless such person—

(1) maintains a business location therein;

(2) regularly makes household deliveries therein other than deliveries by common carrier or the United States Postal Service; or

(3) regularly engages therein in soliciting orders to buy tangible personal property unless such solicitation of orders is carried on exclusively by direct mail or by advertising in newspapers or printed periodicals or on radio or television; or

(d) require any seller without a business location therein to collect or pay a sales or use tax when such seller has obtained in writing the buyer's registration number in accordance with section 304 of this Act.

An advance payment of a sales or use tax to a seller, as agent for a State, made by a purchaser of tangible personal property for resale shall not constitute a sales or use tax for purposes of this Act if credit for the advance payment is allowed in determining sales tax liability of the purchaser under statutory provisions in effect in any State prior to January 1, 1973. A State or political subdivision shall have power to impose a corporate net income tax or a capital stock tax, or a gross receipts tax with respect to a sale of tangible personal property or to require a seller to collect a sales or use tax with respect to an interstate sale of tangible personal property, subject to the limitations of section 306 of this Act, if it is not denied the power to do so under the Constitution of the United States or any Federal statute.

TITLE II—MAXIMUM INCOME OR CAPITAL ATTRIBUTABLE TO TAXING JURISDICTION

OPTIONAL THREE-FACTOR FORMULA

SEC. 201. A State or a political subdivision thereof may not impose on a corporation with a business location in more than one State a net income tax (or capital stock tax) measured by an amount of net income (or capital) in excess of the amount determined by multiplying the corporation's base by an apportionment fraction which is the average of the corporation's property, payroll, and sales factors for the State or political subdivision thereof for the taxable year plus, in the case of a tax measured by income, the amount of income allocable to the State or political subdivision thereof for the taxable year. For this purpose the base to which the apportionment fraction is applied shall be the corporation's apportionable income as defined in this Act for the taxable year (or its entire capital, reduced by investments in and advancements to subsidiary and affiliated corporations, as determined under State law for the valuation date at or after the close of that taxable year).

PROPERTY FACTOR

SEC. 202. (a) IN GENERAL.—A corporation's property factor for any State is a fraction, the numerator of which is the average value of the corporation's real and tangible personal property owned and used or rented

and used in that State and the denominator of which is the average value of all of the corporation's real and tangible personal property owned and used or rented and used during the taxable year and located within the United States.

(b) STANDARDS FOR VALUING PROPERTY IN PROPERTY FACTOR.—

(1) OWNED PROPERTY.—Property owned by the corporation shall be valued at its original cost.

(2) RENTED PROPERTY.—Property rented to the corporation shall be valued at eight times the net rents payable by the corporation during the taxable year. Net rent is the gross rent payable by the corporation less rent received by the corporation from subrentals.

(c) AVERAGING OF PROPERTY VALUES.—The average value of the corporation's property shall be determined by averaging values at the beginning and ending of the taxable year; except that values shall be averaged on a semiannual, quarterly, or monthly basis if reasonably required to reflect properly the location of the corporation's property during the taxable year.

PAYROLL FACTOR

SEC. 203. (a) IN GENERAL.—A corporation's payroll factor for any State is a fraction, the numerator of which is the amount of wages paid by the corporation to employees located in that State and the denominator of which is the total amount of wages paid by the corporation to all employees located within the United States during the taxable year.

(b) PAYROLL INCLUDED.—The corporation's payroll factor shall include all wages paid by the corporation during the taxable year to its employees, except that there shall be excluded from the factor any amount of wages paid to a retired employee.

(c) DEFINITION OF WAGES.—The term "wages" means wages as defined for purposes of the Federal Unemployment Tax Act in section 3306(b) of the Internal Revenue Code of 1954.

SALES FACTOR

SEC. 204. (a) IN GENERAL.—A corporation's sales factor for any State is a fraction, the numerator of which is the total sales of the taxpayer in the State during the taxable year and the denomination of which is the total sales of the taxpayer within the United States during the taxable year.

(b) SALES INCLUDED.—

(1) Sales of tangible personal property are in the State if such property is received in the State by the purchaser. In the case of delivery of tangible personal property by common carrier or by other means of transportation, the place at which such property is ultimately received after all transportation has been completed shall be considered as the place at which such property is received by the purchaser. Direct delivery in the State, other than for purposes of transportation, to a person or firm designated by a purchaser constitutes delivery to the purchaser in the State and direct delivery outside the State to a person or firm designated by a purchaser does not constitute delivery to the purchaser in the State, regardless of where title passes or other conditions of sale.

(2) Sales, other than sales of tangible personal property, are in the State if—

(A) the income-producing activity is performed in the State, or

(B) the income-producing activity is performed both in and outside that State and a greater proportion of the income-producing activity is performed in that State than in any other State, based on costs of performance.

(3) Sales shall include receipts from the rental of tangible personal property, and such receipts shall be considered to be in the State in which the property is located.

ZERO DENOMINATORS

SEC. 205. If the denominator of any factor is zero, then the other factors shall be used as the apportionment fraction for each State and political subdivision. If the denominators of all factors are zero, then the apportionment fraction for the State where the corporation has its business location shall be 100 percent.

LOCAL TAXES

SEC. 206. The maximum percentage of net income (or capital) of a corporation attributable to a political subdivision for tax purposes shall be determined under this title in the same manner as though the political subdivision were a State; except that the denominators of the corporation's property, payroll, and sales factors shall be the denominators applicable to all States and political subdivisions. For this purpose the numerators of the corporation's property, payroll, and sales factors shall be determined by treating every reference to location in a State as a reference to location in the political subdivision.

APPORTIONABLE INCOME

SEC. 207. (a) Apportionable Income—Apportionable income means taxable income as determined under State law, except there shall be excluded—

(1) income from sources without the United States provided that all expenses, losses and other deductions are properly apportioned or allocated thereto in accordance with Section 862(b) of the Internal Revenue Code, and

(2) dividends.

However, dividend income shall be treated as apportionable income if the taxpayer's principal business activity is dealing in securities. No State shall, because of the exclusion of this section, make any offsetting adjustment of an otherwise allowable deduction. Apportionable income of a taxpayer shall not include or be measured by all or any part of the income of any other corporation except as provided in section 209 of this Act.

(b) Adjustment of Apportionment Factors—If apportionable income includes income derived from the sales of tangible personal property, the ultimate destination of which is outside the United States either the taxpayer or the State may adjust denominators of the factors described in sections 202 through 204 of this Act to include payrolls, sales, and property attributable to such sales.

ALLOCABLE INCOME—DIVIDENDS

SEC. 208. Dividends, other than dividends which constitute income from sources outside the United States, received from corporations in which the taxpayer owns less than 50 percent of the voting stock are allocable to the State of commercial domicile of such taxpayer. Dividends which constitute income from sources without the United States as defined by the Internal Revenue Code of 1954, as amended, and dividends received from corporations in which the taxpayer owns 50 percent or more of the voting stock shall not be allocable to any State.

CONSOLIDATED APPORTIONABLE INCOME

SEC. 209. (a) CONSOLIDATED APPORTIONABLE INCOME.—Except as provided by subsection (b) if either a State or a taxpayer establishes that a taxpayer has engaged in non-arm's-length transactions, as defined in section 507, which cause a material distortion of income apportioned to the State the State may require or the taxpayer may elect to determine apportionable income by reference to the consolidated apportionable income and apportionment factors of all parties to the non-arm's-length transactions. In no event shall this section be construed to alter the effect of the provisions of this Act relating to allocable income. For purposes of this Act, consolidated apportionable income is the sum of the apportionable income of all corporations consolidated with all intercorporate transactions eliminated.

(b) ADJUSTMENT OF INCOME.—A State or political subdivision thereof may not require a corporation with a business location in the State or political subdivision to combine or consolidate, for the purpose of determining or measuring any tax, its gross receipts, income, capital, or net worth with the gross receipts, income, capital, or net worth of the following:

(1) a corporation which is incorporated outside the United States,

(2) any corporation, 50 percent or more of the ordinary gross income of which is excludable under section 207(a)(1) of this Act, or

(3) excluded corporations.

However, a State or political subdivision may, upon a specific finding, adjust the income of a corporation to correct any transaction with any other party consummated in the manner of a non-arm's-length transaction.

(c) PERMITTED CONSOLIDATED INCOME—Nothing contained herein shall prevent any State from permitting by statute or otherwise one or more affiliated companies as defined in section 508 to elect to file a return based on consolidated income.

TITLE III—SALES AND USE TAXES

REDUCTION OF MULTIPLE TAXATION

SEC. 301. (a) LOCATION OF SALES.—A State or political subdivision thereof may impose a sales or use tax or require a seller to collect a sales or use tax with respect to an interstate sale of tangible personal property only if the destination of the sale is—

(1) in that State, or

(2) in a contiguous State or political subdivision of a contiguous State for which the tax is required to be collected under reciprocal collection agreements.

(b) CREDITS FOR PRIOR TAXES.—The amount of any use tax imposed with respect to tangible personal property shall be reduced by the amount of any sales or use tax previously incurred and paid by a person with respect to the property on account of liability to another State or political subdivision thereof.

(c) REFUND.—A person who pays a use tax imposed with respect to tangible personal property shall be entitled to a refund from the State or political subdivision thereof imposing the tax, up to the amount of the tax so paid, for any sales or use tax subsequently paid with respect to the same property on account of prior liability to another State or political subdivision thereof. For purposes of this subsection, the person seeking the refund from a State or political subdivision imposing the tax shall apply for the refund within one year from the date of payment of the sales or use tax to such other State or political subdivision.

(d) LIMITATION ON CREDIT FOR PRIOR TAXES.—A credit or refund otherwise permitted under subsections (b) and (c) shall not be allowed with respect to taxes which are measured by periodic payments made under a lease to the extent that the taxes imposed by the other State or political subdivision thereof were also measured by periodic payments made under a lease for a period prior to the possession, storage, use, or other consumption of the property in the State or political subdivision thereof imposing the tax.

(e) VEHICLES AND MOTOR FUELS.—

(1) VEHICLES.—Nothing in subsection (a) shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to vehicles that are registered in the State.

(2) FUELS.—Nothing in this section shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to motor fuels consumed in the State.

EXEMPTIONS FOR HOUSEHOLD GOODS, INCLUDING VEHICLES, IN THE CASE OF PERSONS WHO ESTABLISH RESIDENCE

SEC. 302. No State or political subdivision thereof may impose a sales tax, use tax, or other nonrecurring tax measured by cost or value with respect to household goods, including motor vehicles, brought into the State by a person who establishes residence in that State if the goods were acquired and used by that person 90 days or more before use of the property in the State in which he establishes such residence.

TREATMENT OF TRANSPORTATION CHARGES WITH RESPECT TO INTERSTATE SALES

SEC. 303. Where the freight charges or other charges for transporting tangible personal property from the seller or supplier directly to the purchaser incidental to an interstate sale are separately stated in writing by the seller to the purchaser, to the extent that such charges do not exceed a reasonable charge for transportation by facilities of the seller or the charge for the transportation by the carrier when the transportation is by other than the seller's facilities, no State or political subdivision may include such charges in the measure of a sales or use tax imposed with respect to the sale or use of the property.

REGISTRATION PROCEDURE

SEC. 304. A person with a business location in a State and purchasing goods in interstate commerce must obtain a registration number from that State. Persons without a business location in the State may rely upon such registration, as evidenced by receiving the registration number from the buyer, in writing, as conclusive authority for not charging and collecting a sales or use tax.

LIABILITY OF SELLERS ON EXEMPT SALES

SEC. 305. No seller shall be liable for the collection or payment of a sales or use tax with respect to an interstate sale of tangible personal property if the purchaser of such property furnishes or has furnished to the seller a certificate or other written form of evidence indicating the basis for exemption, or the reason the seller is not required to pay or collect the tax. Any such certificate or writing shall give the name and address of the purchaser, his registration number, if any, and shall be signed by the purchaser or his representative.

LOCAL SALE, AND USE TAXES

SEC. 306. (a) LIMITATION OF SELLER COLLECTION.—Notwithstanding the provisions of section 101(3)(C), no seller shall be required by a State or political subdivision thereof—

(1) to collect a sales or use tax of a political subdivision with respect to interstate sales, or

(2) to classify interstate sales for sales or use tax purposes according to geographic areas of the State in any manner,

except with respect to those interstate sales with destinations in political subdivisions in which the seller has a business location, or regularly makes deliveries other than by common carrier or United States Postal Service.

(b) LOCAL TAXES TREATED AS STATE TAXES.—Notwithstanding the limitations in subsection (a), to the extent that State and any local sales and use taxes are imposed in all geographic areas of a State upon like transactions at the same combined State and local rate, are administered by the State, and are otherwise applied uniformly so that the seller is not required to classify interstate sales according to geographic areas of the State in any manner whatsoever, such sales or use taxes, whether imposed by the State or by political subdivisions, shall be treated as State taxes for the purposes of this Act.

TITLE IV—JURISDICTION OF FEDERAL COURTS

JUDICIAL REVIEW

SEC. 401. Notwithstanding section 1251(a) of title 28, United States Code, the United States Court of Claims shall have jurisdiction to review de novo any issues relating to a dispute arising under this Act or under Public Law 86-272, as amended. Within 90 days of the decision of a State administrative body from which the only appeal is to a court, any party to the determination may petition the Court of Claims for a review de novo of any such issues. The findings of fact by the State administrative body shall be considered with other evidence of the facts. The judgment of the Court of Claims shall be subject to review by the Supreme Court of the United States as provided in section 1254 of title 28, United States Code, as amended.

EFFECT OF FEDERAL DETERMINATION

SEC. 402. The determination of a dispute arising hereunder by the Court of Claims shall be binding for the taxable years involved on any State given notice or appearing as a party, notwithstanding any prior determinations of the courts or administrative bodies of that State completed after notice to that State. No statute of limitations shall bar the right of a State or a corporation to an amount of tax increased or decreased in accordance with the determination, provided action is begun within one year after the determination has become final.

TITLE V—MISCELLANEOUS PROVISIONS

PERMISSIBLE FRANCHISE TAXES

SEC. 525. The fact that a tax to which this Act applies is imposed by a State or political subdivision thereof in the form of a franchise, privilege, or license tax shall not prevent the imposition of the tax on a person engaged exclusively in interstate commerce within the State; but such a tax may be enforced against a person engaged exclusively in interstate commerce within the State solely as a revenue measure and not by ouster from the State or by criminal or other penalty for engaging in commerce within the State without permission from the State.

PROHIBITION AGAINST GEOGRAPHICAL DISCRIMINATION

SEC. 526. (a) IN GENERAL.—No provisions of State law shall make any person liable for a greater amount of sales or use tax with respect to tangible personal property, by virtue of the location of any occurrence in a State outside the taxing State, than the amount of the tax for which such person would otherwise be liable if such occurrence were within the State. For purposes of this subsection, the term "occurrence" includes incorporation, qualification to do business, and the making of a tax payment, and includes an activity of the taxpayer or of a person (including an agency of a State or local government) receiving payments from or making payments to the taxpayer.

(b) COMPUTATION OF TAX LIABILITY UNDER DISCRIMINATORY LAWS.—When any State law is in conflict with subsection (a), tax liability may be discharged in the manner which would be provided under State law if the occurrence in question were within the taxing State.

APPLICABILITY OF ACT

SEC. 527. Nothing in this Act shall be considered—

(1) to repeal Public Law 86-272, as amended, with respect to any person;

(2) to increase, decrease, or otherwise affect the power of any State or political subdivision to impose or assess a net income tax with respect to an excluded corporation;

(3) to give any State or political subdivision the power to impose a gross receipts tax with respect to a sale of tangible personal property if the seller would not be subject to the imposition of such a gross receipts tax without regard to the provisions of this Act; or

(4) to prevent a State or political subdivision from enacting legislation that would result in a lesser tax liability than that provided by this Act.

PROHIBITION AGAINST OUT-OF-STATE AUDIT CHARGES

SEC. 528. No charge may be imposed by a State or political subdivision thereof to cover any part of the cost of conducting outside that State an audit for a tax to which this Act applies including a net income tax imposed on an excluded corporation.

LIABILITY WITH RESPECT TO UNASSESSED TAXES

SEC. 529. (a) PERIODS ENDING PRIOR TO ENACTMENT DATE.—No State or political subdivision thereof shall have the power, after the date of the enactment of this Act, to assess against any person any tax for any period ending on or before such date in or for which that person became liable for such tax if during such period the State or political subdivision would not have had the power to assess such tax had the provisions of title I of this Act been in effect during such period.

(b) CERTAIN PRIOR ASSESSMENTS AND COLLECTIONS.—The provisions of subsection (a) shall not be construed—

(1) to invalidate the collection of a tax prior to the time assessment became barred under subsection (a), or

(2) to prohibit the collection of a tax at or after the time assessment became barred under subsection (a), if the tax was assessed prior to such time.

CAPITAL ACCOUNT TAXES ON DOMESTIC CORPORATIONS

SEC. 530. The State in which a corporation is incorporated may impose a capital account tax on the corporation without division of capital, notwithstanding the jurisdictional standard and limitation on attribution otherwise imposed by this Act.

EFFECTIVE DATES

SEC. 531. (a) Except as provided in section 529, this Act shall apply only with respect to taxable years beginning on or after one year from the date of the enactment of this Act.

(b) Section 306 of this Act shall be effective with respect to taxable periods beginning on or after July 1, 1978.

By Mr. BELLMON:

S. 1963. A bill to provide for legislative budget review by the General Accounting Office. Referred to the Committee on Government Operations.

Mr. BELLMON. Mr. President, I am today introducing a bill to provide for the creation of a budget review capability in the General Accounting Office. The purpose of this bill is to strengthen the effectiveness of the Congress in its efforts to control Federal spending and to make certain the programs which Congress authorizes and funds are carried forward as Congress intends.

Briefly, the bill does three things: First, it creates within the General Accounting Office a division of legislative budget review; second, this division is authorized to continuously review and analyze the operation of the agency in the use of its funds; and, third, the division's principal responsibility is to prepare an independent budget estimate with supporting facts for the use of the

Congressional Appropriations Committees and the full Congress.

Mr. President, the need for this new service arises because of the fact that at the present time the Appropriations Committees of Congress normally have access only to the information which the executive branch voluntarily brings forth. From time to time additional information is forthcoming from disenchanted elements of the executive branch, or from "leaks" developed by the news media.

Without full information regarding the operation of Government it is difficult for Congress to take an aggressive, constructive role in the appropriation process. The small staffs of the appropriations committees are able to make a limited contribution by relying upon their longtime experiences. Unfortunately, these staffs are so small that most of their time is occupied with administrative duties. They rarely have the time or opportunity to go into the field to gain firsthand information regarding the operations of Government.

The result of this paucity of information is that not only the Appropriations Committees but the entire Congress is virtually at the mercy of the executive branch so far as development of the Federal budget is concerned. Plainly, if the Congress intends to take an effective, meaningful role in the governmental process, we must begin by equipping ourselves to fully and intelligently control Federal spending. We cannot do this without creating an effective fact gathering organization inside the legislative branch.

Intelligent control is impossible unless and until the Congress has the full facts as to the needs of Government agencies, the effectiveness with which these agencies are using their resources, and the fidelity with which the agencies are carrying out the will of Congress. As a practical matter, it is probably impossible to adequately reinforce the Appropriations Committee staffs of the House and Senate so they can fully provide the service which the Congress needs.

In studying the matter, my conclusion is that Congress needs to reorient and strengthen the function of the General Accounting Office. At the present time, the GAO performs only an occasional and generally negative role by undertaking investigations upon request and generally for the purpose of ferreting out wrong doing. I believe that this narrow role overlooks a major contribution the GAO could and should make.

The purpose of this bill is to give the General Accounting Office a continuous and constructive responsibility for observing the operation of Government and bringing to the Congress an independently gathered set of facts against which we will be able to review the President's budget request.

Mr. President, Members of the Senate may be surprised, as I was, to learn of the small size of the Senate Appropriations staffs. Therefore, I ask unanimous consent that a list of the names of professional staff members along with a listing of their assignments be printed at the conclusion of my remarks. I believe it will become apparent to others, as it has to me, that it is totally impossible for a staff this small to deal effectively with the more than $258 billion budget which the Congress must consider this year.

It is a little less than ludicrous to assume that a staff of this size can ever go beneath the surface of the agency request. The appropriations responsibilities of Congress could be better administered if this staff and the members had access to an independent report on the budgetary need of the various agencies. As it is now, we get only one side of the matter: The side the agency wants us to have.

Mr. President, nothing in these remarks is in any way intended to be critical of the hard-working members of the Appropriations Committee nor of the dedicated efforts of this small but competent staff. Rather, my hope is to alert the Congress to the fact that as the size of the Federal budget has grown, we have been tardy in increasing the capacity of the Congress to deal with these huge sums of money and the complex governmental services which they support.

There is currently much interest in this body in seeing Congress reassert its once dominant role in the governmental process. I strongly support this development. Based upon my experience in government I have come to the conclusion that Congress can never effectively extend its influence over government operations until it regains control of the Federal bureaus. To capture this control and to exercise it responsibly and effectively will necessitate the gathering of accurate, complete, and objective information regarding the operation of all governmental agencies. That is the purpose of this bill.

Mr. President, the bill is short and I ask unanimous consent that it be printed in full in the RECORD.

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

SENATE APPROPRIATIONS COMMITTEE MAJORITY PROFESSIONAL STAFF AND ASSIGNMENTS

Scott, Thomas J., Chief Clerk, Professional Staff, Legislative.

Calloway, James R., Professional Staff, Counsel.

Witeck, John M., Professional Staff, Transportation.

English, James H., Professional Staff, Transportation.

Rexroad, Vorley M., Professional Staff, Mil. Construction.

Jones, Proctor, Professional Staff, Public Works.

Miles, Dudley D., Professional Staff, Agriculture.

Hewitt, Francis S., Professional Staff, Defense.

Jordan, William H., Professional Staff, Foreign Operations.

McConnell, Guy G., Professional Staff, Defense.

McDonnell, Joseph T., Professional Staff, State-Justice-Commerce.

Merrick, Harold E., Professional Staff, State-Justice-Commerce.

Pujol, Maurice P., Professional Staff, HUD-Space-Science-Veterans.

Gonzales, Joseph E., Professional Staff, Treasury-Post Office.

Dirks, Harley M., Professional Staff, Labor-HEW.

Sauvain, Terrance E., Professional Staff, District of Columbia.

Dyer, Dwight E., Professional Staff, Interior.

Gunn, Thomas M., Professional Staff, Defense.

Smith, Arnold S., Professional Staff, Defense.

McGown, Neilson, Professional Staff, Editing and Printing.

SENATE APPROPRIATIONS COMMITTEE MINORITY PROFESSIONAL STAFF AND ASSIGNMENTS

Kennedy, William J., Professional Staff (Counsel), Foreign Operations and State-Justice-Commerce.

Bonner, Pete, Professional Staff, Defense-Mil. Construction.

Clark, Robert, Professional Staff, HUD-Space-Science-Veterans, Transportation, and District of Columbia.

Bond, James, Professional Staff, Public Works, Interior, and Agriculture.

Kane, Warren, Professional Staff, Labor-HEW, Legislative, and Treasury-Post Office.

S. 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of this Act—

(1) "Executive agency" has the same meaning given that term by section 105 of title 5, United States Code; and

(2) "Budget means the Budget of the United States Government transmitted to Congress by the President under the Budget and Accounting Act, 1921.

SEC. 2. (a) There is established within the General Accounting Office a Division of Legislative Budget Review. The Division shall be headed by such individual as the Comptroller General of the United States may designate, and that individual shall be directly responsible to the Comptroller General.

(b) Within the Division there shall be a separate office for each Executive agency which shall—

(1) continuously observe and study the operation of the agency to determine the efficiency and effectiveness of the agency in the utilization of appropriated funds;

(2) review and analyze the budget estimates submitted by that agency for inclusion in the Budget and in supplemental and deficiency requests;

(3) review and analyze budget requests for that agency included in the Budget and in supplemental and deficiency budget requests submitted to Congress; and

(4) make its own present and future budget estimates with respect to that agency, based upon observations of the agency's operations, specifying the differences between its estimates and the estimates of that agency and those estimates and requests submitted to Congress with respect to that agency with the reasons for such differences;

(5) develop, establish and maintain an up-to-date inventory of executive branch fiscal, budgetary, and program related information; and

(6) review these agency operations on a continuing basis and determine whether the agency is satisfying Congressional intent and requirements.

(c) The Comptroller General shall transmit to Congress, as soon as practicable, each review, analysis, and estimate of each such office.

SEC. 3. (a) Substantially all of the personnel of an office for an Executive agency shall be located in the main office building of that agency. That Executive agency shall provide to the office such space within its main building as the Comptroller General considers appropriate to enable the office to carry out its duties under this Act.

(b) Each office for an Executive agency is authorized to request and obtain such infor-

mation, with respect to such agency, from any Executive agency as the Comptroller General considers necessary to carry out the duties of that office under this Act. Any information so requested shall be provided by any such agency.

SEC. 4. An officer or employee in an office for an Executive agency shall not serve in that office for more than 36 consecutive months. Upon termination of service in that office, such officer or employee shall not be appointed, detailed, assigned, or otherwise made available to perform duties with respect to that same agency unless at least 6 years have elapsed since the date of such termination of service.

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not more than 10 per centum of the funds utilized by the various agencies of the Executive Branch in the formulation, presentation, and justification of agency estimates within the various agencies and departments; presentation and justification to the Office of Management and Budget; and presentation and justification to Congress.

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

S. 1964. A bill to establish the Tijuana National Wildlife Refuge. Referred to the Committee on Commerce.

Mr. TUNNEY. Mr. President, I am pleased to introduce legislation which will establish a national wildlife refuge in the Tijuana estuary, a natural salt water marsh south of San Diego, Calif., in the southwesternmost corner of the continental United States.

In no way will the creation of this wildlife refuge interfere with our Governments' agreement to accept flood waters from the Mexican portion of the Tijuana River flood control channel. Nor will it dictate what type of system the United States should build to accept these waters. The decision as to what type of channel will best serve the area is presently under discussion by the San Diego City Council which will soon make specific recommendations.

Mr. President, this estuary is one of the finest salt water marshes remaining along the California coastline. Due to its size and its natural, open mouth to the Pacific Ocean, the Tijuana estuary is a valuable habitat for a large variety of birds, fish, invertebrates, and other wildlife, as well as a valuable natural attraction and scientific and educational asset to the San Diego community. The estuary is made increasingly more valuable by the fact that it is one of very few such natural habitats which are in a natural state, relatively untouched by the effects of man and his technology.

Large salt marshes such as the Tijuana estuary historically existed in all major bays, but few have not been destroyed or severely damaged by harbor construction and pollution. In San Diego Bay alone, 80 to 85 percent of the bay's tidelands have been bulkheaded or filled for industrial and commercial purposes. This situation is typical of southern California as a whole: While California's coastal wetlands and estuarine acreage is about 422,000 acres—less than half of 1 percent of the State's land area—only about 31,700 acres of this is in southern California. This figure is less than 25 percent of that which existed in 1900, and a large portion of that has been highly modified, resulting in greatly decreased fish, and wildlife values.

Such drastic alteration of estuarine environments ignores the fact that they rank with forests and rivers as vital natural resources, and outrank both in productivity and versatility: Estuaries are among the most naturally fertile and shared-use areas of the world. However, due to man's disinterest and misinformation, coastal wetlands have been largely ignored as a resource in need of protection, while development of all sorts continues, carving up and destroying the habitat.

While there is a vital need to preserve these natural habitats all along the coast, the Tijuana estuary is particularly deserving of governmental protection. As Sanford Wilbur, a wildlife biologist, stated in a Bureau of Sport Fisheries and Wildlife memorandum:

> I doubt there is a better place on the West Coast to use Land and Water Conservation Fund monies for habitat really essential to wildlife.

The area, abundant in plant life indigenous to a free-flowing salt water marsh, provides an excellent feeding ground and gathering place for all types of wildlife. The Tijuana River estuary and adjacent uplands are occupied seasonally or continually by at least 173 species of water fowl and other birds; 26 species of fish, and 42 species of large invertebrates such as clams, snails, crabs, and shrimp are known to live in the estuary, feeding on or dwelling within habitats created by 31 species of marsh plants. All this is made possible by the high quality of the marsh, a result of the rapid tidal flushing and relative absence of pollution. In addition, four species of birds known to inhabit the estuary and adjacent beach and uplands are on the official U.S. Fish and Wildlife list of endangered species: The California clapper rail, the brown pelican, the California least tern, and the American peregrine falcon. Four more species are listed as rare or endangered. The estuary is considered one of the most important lightfooted rail areas remaining.

Our duty to preserve this natural habitat is one we owe not only to the wildlife themselves, although that is a major responsibility in itself. The migratory shorebirds and water fowl, part of the Pacific flyway, are protected by international treaties, obligating us as a Nation to adequately protect these species. And this protection cannot be accomplished without preservation of the habitat on which they depend.

We also have a responsibility to the quality of human life when considering the role played by such natural environments. The tidal ebb and flow through the marsh carries algae and eel grass plants communities and plankton, which, as basic energy for a wide variety of fish and bird life, form the bottom of our food chain. The fish which swim into the estuary to feed are a link in the chain supporting the fish industry on which many depend for food and a livelihood. Even more important, perhaps, is the need we as humans have of such areas for more esthetic reasons. The Tijuana estuary is now used for a number of scientific and educational purposes, as an open air laboratory for scientists and school children alike. It also serves as an escape for those who seek out a place for walking, for sitting in solitude, or merely observing the natural world in a pleasurable surrounding, away from, although close to, the complex world they are a part of.

Our need of areas such as the Tijuana estuary certainly is not going to diminish as time passes. The San Diego South Bay area, like all urban areas, is becoming increasingly more urbanized and complex, with open space diminishing and natural environments disappearing under the high priority of land for industrial and residential development. Such a transformation of our environment is, we must recognize, irreversible, and this is particularly true of our coastal wetlands. It does not take much in the way of human interference to substantially alter—forever—the fragile ecosystem of an estuary. All along the coast, draining, diking, filling, and dredging of the coast line is continuing, as development is given top priority. It is time to reverse this trend, by protecting our resources from such thoughtless destruction.

The need for official protection of the Tijuana estuary has been recognized by all levels of Government. In Bureau of Sport Fisheries and Wildlife plans for a national coastal estuarine refuge complex, the Tijuana estuary is strongly recommended as an important element. The State of California Department of Fish and Game and the Department of Parks and Recreation are also strongly supportive of preservation of the natural habitat, and city of San Diego planners recently recommended protection of the estuary in the city plan. A Bureau of Sport Fisheries and Wildlife official stated it well:

> Time is running out for key estuarine habitats . . . and they need protection now.

We can take a step in this direction by taking rapid action on this legislation. The Tijuana estuary is a valuable resource, and it must be protected before irreversible damage is done.

Mr. President, I ask unanimous consent that the text of my bill may be printed in the RECORD at this point.

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

S. 1964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the preservation and enhancement of highly significant wildlife habitat in the area known as Tijuana Estuary in the State of California, for the protection of migratory waterfowl and other wildlife, including species known to be threatened with extinction, and to provide an opportunity for wildlife-oriented recreation and nature study within the open space so preserved, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to establish, as herein provided, a national wildlife refuge to be known as the Tijuana National Refuge (hereinafter referred to as the "refuge").

SEC. 2. There shall be included within the boundaries of the refuge those lands, marshes, and waters in the southwestern-

most area of San Diego County generally depicted on the map entitled "Boundary Map, Proposed Tijuana Slough National Wildlife Refuge", dated June 1972, and which comprise approximately 1500 acres. Said boundary map shall be on file and available for public inspection in the offices of the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

SEC. 3. (a) The Secretary shall establish the refuge by publication in the Federal Register at such times as he determines that lands, waters, and interests therein to constitute an efficiently administrable refuge have been acquired for administration in accordance with the purposes of this Act. The Secretary may from time to time make corrections in the boundaries of the refuge.

(b) The Secretary shall administer the refuge in accordance with the provisions of the Act entitled "An Act to provide for the conservation, protection, and propagation of native species of fish and wildlife, including migratory birds, that are threatened with extinction; to consolidate the authorities relating to the administration by the Secretary of the Interior of the national wildlife refuge system; and for other purposes", approved October 15, 1966 (16 U.S.C. 668dd et seq.), to the extent that such Act is not inconsistent with the operation of the Secretary may utilize such additional statutory authority as may be available to them for the conservation and management of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretive education as he deems appropriate to carry out the purposes of this Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. ERVIN:

S. 1965. A bill to insure the separation of Federal powers and to protect the legislative function by abolishing the Subversive Activities Control Board. Referred to the Committee on the Judiciary.

Mr. ERVIN. Mr. President, at the end of the current fiscal year, on June 30, 1973, the Subversive Activities Control Board will cease to have funds with which to operate, since the 1974 Federal budget included no money for its use. For all practical purposes, the SACB has been abolished and it is now time to remove from the statute books the provision which authorizes its existence.

I introduce for appropriate reference a bill to be known as the "Subversive Activities Control Board Termination Act," which would amend section 12(i) of title I of the Internal Security Act of 1950 (64 Stat. 997 (1950); 50 U.S.C. 791(i).

On a number of other occasions, in hearings and on the floor of the Senate, I have made known my views concerning the SACB; therefore, I shall not burden you with a long repetition of them now. Suffice it to say that the Board continued to exist for years without serving any useful purpose. During the past 23 years it has cost the American taxpayers millions of dollars, and the only persons or institutions that have benefited from these expenditures of public funds have been the Board's members and employees who have continued to draw their salaries for doing virtually nothing. Furthermore, the very aims of the SACB long since have become repugnant to all men who cherish freedom of thought, speech, and association, and the Supreme Court has declared unconstitutional the actions the Board did undertake.

At long last the Congress saw the wisdom of putting an end to this waste, and thus provided it no appropriation for fiscal year 1974. Now it is time tc remove this superfluity from the statute books. The SACB must be laid to rest.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1965

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 Subversive Activities Control Board Termination Act.

SEC. 2. Section 12 (i) of the Subversive Activities Control Act (50 U.S.C. 791 (i)) is amended to read as follows:

"(i) The Board shall cease to exist, and all proceedings before the Board shall abate, on the date of enactment of the Subversive Activities Control Board Termination Act."

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

S. 1967. A bill to amend title V of the Housing Act of 1949 to expressly authorize the collection of taxes and insurance from rural housing borrowers, to authorize fees and charges to be available for administrative expenses, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I introduce for myself and Senator TOWER a bill to amend title V of the Housing Act of 1949 to expressly authorize the collection of taxes and insurance from rural housing borrowers, to authorize fees and charges to be available for administrative expenses, and for other purposes.

The bill was recommended to the Congress by the Department of Agriculture. I ask unanimous consent that the letter from the Department of Agriculture transmitting the measure be printed at this point in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 19, 1973.

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

DEAR MR. PRESIDENT: Enclosed are proposed amendments to Title V of the Housing Act of 1949, as amended, to update and clarify: (a) the authority of the Farmers Home Administration to collect prepayments of property taxes and insurance from borrowers, (b) the timing of payments to purchasers of insured notes; and (c) the Congressional intent relating to the assessment and use of fees on rural housing loans paid by applicants and borrowers.

The increased volume of loans for the past ten years has made the property tax and property insurance servicing a time-consuming job for county office personnel. Specifically, a survey showed that the servicing of property insurance required about seven hours per week in each of the 1,751 county offices, or a total of 667,131 hours at a cost to the Government of approximately $2.8 million. This is time that could be better utilized in loan making and supervision of borrowers.

The proposed amendment would specifically authorize FHA to make monthly collections of property taxes and insurance premiums on rural housing loans along with the regular monthly payments on the loan. It would authorize FHA also to pay amounts to which the holder of a note is entitled in accordance with the insurance or sales agreement without reference to the payment terms of the insured note.

The adoption of monthly instead of annual installments on notes and the prepayment of taxes and insurance will permit us to automate or contract loan servicing and thus simplify the work of the county supervisor in the servicing of accounts and release the time now devoted to tax and property insurance servicing for loan making and supervision of borrowers.

The Housing Act authorizes the Secretary to establish installments of principal and interest in accordance with schedules and repayment plans he deems advisable. Since most of the rural housing loans are made to rural residents who are not farming, we find it advisable to prepare notes in those cases with monthly installments to better protect the interests of the Government.

In an audit of the housing programs of the Farmers Home Administration, Audit Report No. B–114873, dated January 23, 1970, the General Accounting Office recommended that Farmers Home Administration assess fees under its rural housing program to bring its practices in line with those of the Federal Housing Administration. The GAO recommendation for user fees has appeal because it would shift part of the cost of administration from direct appropriations to user fee funding; and it would be self-regulating, since income from fees and interest service charges would rise or fall in direct proportion to changes in program volume. The proposed amendment to Title V of the Housing Act of 1949 would update and clarify the Congressional intent relating to the assessment of fees on rural housing loans. We recommend further that income from fees be credited to the rural housing fund and be available for use in administering the program.

Section 102(2)(c) of P.L. 91–190 does not apply to this legislation; therefore an environmental statement is not enclosed.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's objectives.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

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

S. 1968. A bill to amend title V of the Housing Act of 1949 to transfer certain farm labor housing and rural rental housing loans and related liabilities from the agricultural credit insurance fund to the rural housing insurance fund, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I introduce for myself and Senator TOWER a bill to amend title V of the Housing Act of 1949 to transfer certain farm labor housing and rural rental housing loans and related liabilities from the agricultural credit insurance fund to the rural housing insurance fund, and for other purposes.

The bill was recommended to the Congress by the Department of Agriculture. I ask unanimous consent that the letter from the Department of Agriculture transmitting the measure be printed at this point in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 23, 1973.

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

DEAR MR. PRESIDENT: Enclosed is a proposed amendment to Title V of the Housing Act of 1949, as amended, which would amend section 517(b) of the Housing Act of 1949 to transfer from the Agricultural Credit Insurance Fund to the Rural Housing Insurance Fund the assets, rights, and liabilities of the Government with respect to those few farm labor housing loans and rural rental housing loans that were insured through the Agricultural Credit Insurance Fund prior to the establishment of the Rural Housing Insurance Fund in 1965.

As of June 30, 1972, the loans in question had aggregate principal balances of approximately $3.1 million divided evenly between labor housing and rental housing. The purpose of the transfer is to simplify administration of the Rural Housing Insurance Fund by making all insured Title V loans uniformly subject to the loan insurance provisions of Title V of the Housing Act of 1949. At present all information and certain other issuances covering Title V insured housing loans must deal with labor and rental housing loans in question as special exceptions. If any notes in the Agricultural Credit Insurance Fund are transferred, the Fund would be reimbursed for the unpaid principal of such notes plus accrued interest.

Section 102(2) of Public Law 91-190 does not apply to this legislation. Therefore, an environmental statement is not enclosed.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 176

At the request of Mr. HARTKE, the Senator from South Dakota (Mr. MCGOVERN), was added as a cosponsor of S. 176, a bill to amend title 38, United States Code, to provide for a special addition to the pension of veterans of World War I and to the pension of widows and children of veterans of World War I.

S. 268

At the request of Mr. JACKSON, the Senator from Nevada (Mr. BIBLE) was added as a cosponsor of S. 268, the Land Use Policy and Planning Assistance Act of 1973.

S. 351

At the request of Mr. MCGEE, the Senator from Maine (Mr. HATHAWAY), and the Senator from Utah (Mr. MOSS) were added as cosponsors of S. 351, to provide for improved labor-management relations in the Federal service, and for other purposes.

S. 1125

At the request of Mr. HUGHES, the Senator from Colorado (Mr. DOMINICK) was added as a cosponsor of S. 1125, to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act and other related acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism.

S. 1192

At the request of Mr. COOK, the Senator from Illinois (Mr. PERCY), the Senator from Montana (Mr. METCALF), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1192, the Federal Amateur Sports Act of 1973.

S. 1293

At the request of Mr. BROOKE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1293, to create a National Historic Records Commission.

S. 1637

At the request of Mr. BAYH, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 1637, to discourage the use of painful devices in the trapping of animals and birds.

S. 1687

At the request of Mr. PROXMIRE, the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. MONDALE), the Senator from South Dakota (Mr. ABOUREZK), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Rhode Island (Mr. PELL), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 1687, a bill to repeal the act terminating Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin as a federally recognized, sovereign tribe.

S. 1835

At the request of Mr. HARTKE, the Senator from South Dakota, (Mr. MCGOVERN) was added as a cosponsor of S. 1835, a bill to amend title 38, United States Code, to increase the maximum amount of servicemen's group life insurance to $20,000 to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to veterans' group life insurance, and for other purposes.

S. 1914

THE RIGHT TO KNOW

Mr. PERCY. Mr. President, as we consider S. 1914, to establish a Board for International Broadcasting and to provide for continued assistance to Radio Free Europe and Radio Liberty, I call the attention of my colleagues to the excellent report of the Presidential Study Commission on International Radio Broadcasting, chaired by a distinguished public figure, Dr. Milton Eisenhower.

The Commission supports the principle that "peace is more secure in well-informed societies and that uninformed societies may more easily be manipulated in directions threatening world peace."

The section of the Study Commission's report which I ask unanimous consent to be printed in the RECORD today discusses the role which the radios have played and can play in the improving relations between East and West. The section is entitled "The Special Role of Radio Free Europe and Radio Liberty," which, without objection, I submit for the RECORD at this point.

I also ask unanimous consent that Senators STEVENSON, MCINTYRE, MCGEE, COOK, and GRIFFIN be added as additional cosponsors.

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

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

THE SPECIAL ROLE OF RADIO FREE EUROPE AND RADIO LIBERTY

The corporate entity under which Radio Free Europe operates is "Free Europe, Inc," incorporated under the laws of the state of New York as a private, non-profit organization.

Radio Liberty is incorporated as "Radio Liberty Committee" under the laws of the the state of Delaware as a private, non-profit corporation.

Radio Free Europe broadcasts from its studios in Munich, Federal Republic of Germany, via transmitters in Germany and Portugal to Poland, Czechoslovakia, Romania, Hungary, and Bulgaria in six languages (including Czech and Slovak). Radio Free Europe has a license agreement with the Federal Republic of Germany, and broadcasts from Portugal are transmitted by a local corporation, RARET, which is licensed by the Portuguese Government.

Radio Liberty broadcasts to the Soviet Union. It has its primary studios in Munich and transmitters in Germany, Spain, and Taiwan. Radio Liberty, like Radio Free Europe, is licensed by the host governments.

More than half of Radio Liberty's broadcasts are in Russian, which is spoken by the majority of the Soviet Union's population. In addition to Russian, Radio Liberty broadcasts in 17 other languages spoken in the Soviet Union by significant non-Russia ethnic groups. Each such broadcast is tailored to the special problems of its audience. (The latest Soviet census indicates that almost half of the population is ethnically non-Russian. The overwhelming majority of these peoples speak their own tongue in preference to Russian as their first language.)

RL and RFE devote major attention to Soviet and East European domestic affairs, providing listeners with news withheld or distorted by their own media and at the same time presenting documented analytical interpretations to help listeners better understand developments and trends within their country.

Both RFE and RL have developed special knowledge and capabilities. A trained staff of specialists from each area to which the stations broadcast reads most of its nation's important newspapers, magazines, and specialized publications (including provincial, regional, and national materials). It monitors international and international broadcasts and reads many of the books published, whether fiction, non-fication or science. RFE and RL subscribe to most major Western wire services and also utilize those of the communist regimes. They have news bureaus in the major European capitals, at the United Nations and elsewhere in the United States. These sources have been utilized by formidable research organizations that enable RFE and RL to provide their listeners (and concerned scholars) with full and objective information on a wide range of subjects.

The particular attractiveness of the stations to their listeners is the fact that they are not considered official "spokesmen" for government. Rather, they are thought of as independent and more credible media. For example, RFE's Polish-langauge transmissions are known in Poland as "Warsaw Four."

("Warsaw One", "Warsaw Two", and "Warsaw Three" are Polish Government stations.) Reliance on RFE as a source of news was particularly demonstrated at such times as the August 1968 Soviet invasion of Czechoslovakia and the December 1970 Polish workers' uprising on the Baltic coast.

RL's approach is conditioned by the huge area and diversity of the population of the Soviet Union. It is essentially "selective," based on a number of assumptions in regard to maximum broadcast effectiveness. RL tailors broadcasts specifically to the interests of students, scientists, technicians, intelligentsia, artists, middle levels of the bureaucracy, and professionals. Echoing the guarantees of the Soviet constitution, RL emphasizes the rights of all nationalities in the USSR to full information, without attempting to influence the future political status of any group.

RFE, for reasons explained later in this report, is able to maintain more intimate knowledge of listening conditions in its area. There is also less jamming of its broadcasts. These considerations permit a broader mass appeal than RL finds possible. However, RFE too addresses itself to specific audiences such as youth and the intelligentsia.

RL, by careful monitoring of domestic radio transmissions, and by screening of limited-circulation and non-Russian Soviet publications, is frequently in a position to cross-report news available in one part of the Soviet Union but withheld elsewhere. RL and RFE engage in similar cross-reporting among other communist countries as another means of filling the information gap. Listeners in Poland can thus learn what Radio Bucharest is saying about matters that may have been discreetly overlooked by Radio Warsaw.

Both stations also specialize in programs which provide their listeners with information on developments in communist parties such as the Italian, French, and Swedish, which operate outside the Soviet sphere. Information on Yugoslav internal and foreign policy developments is also regularly presented. Such broadcasts, often containing criticisms by communists of Soviet and East European internal affairs, are particularly effective, coming as they do from "fraternal" rather than "capitalist-imperialist" sources.

Because of their concentration on internal events, their broadcast patterns, and their extensive research, Radio Free Europe and Radio Liberty exercise a function in communicating with East Europeans that official broadcasters do not undertake.

RFE does not broadcast to East Germany, since this has been done effectively since the end of World War II by RIAS. RIAS (Radio in the American Sector) first began broadcasting in 1946 to provide an independent, Western-oriented voice to the people of Berlin and to offset the tendentious broadcasts emanating from radio facilities controlled by Soviet occupation forces. The role of RIAS expanded as various periods of crisis and tension threatened the viability of Berlin, and as parts of the city and East Germany were ever more forcefully sealed from the West. The station eventually became a major noncommunist source of information for the 17 million people in East Germany. It has helped to explain and interpret the United States and its policies to the people of East Germany.

The United States Government and the Government of the Federal Republic of Germany still consider this role crucial in the development of improved East-West relations. The Federal Republic continues to confirm its strong support for RIAS by providing substantial material contributions, such as facilities, equipment, communications lines, and subsidies to music ensembles.

The situation and circumstances of RIAS are of a very special nature. Besides serving as our only communications link with the people of East Germany and being an integral part of the life of Berlin, RIAS has a symbolic significance. It serves as solid evidence of the United States Government's continuing concern for Berlin. The role of RIAS has been publicly supported by all former and present Chancellors of the Federal Republic and Mayors of Berlin.

POLICY SAFEGUARDS

The correct tone is just as important for maximum effectiveness of RFE and RL as the truthful content of their broadcasts. Therefore, the stations follow a number of self-imposed rules which restrain them from inflammatory, strident, or belligerent language, blatant propaganda, rumor and scandal mongering, and petty attacks on the personal lives of the listener countries' leadership. Incitement to revolt or violence is completely off limits. The stations do, however, condemn specific instances of the violation of human rights.

The stations are run by American management both in New York and in Munich. The executives of the stations as well as the members of their boards are Americans of the highest professional competence and standing. The stations regularly receive background information from the Department of State.

In the daily management of their affairs, RFE and RL in Munich rely heavily on the professional integrity of their staffs. Their policy control mechanisms are different because of differences in audience areas, organizational structure, and program patterns. RFE generally uses post-audit analysis whereas RL makes substantial pre-checks of its transmissions. In crisis situations programs at both stations are vigorously pre-audited.

We have examined the editorial policy controls established by both radios and find them to be consonant with the objectives of improved relations between East and West. We have extensively reviewed program scripts selected by the Commission on the basis of dates, events, and also of random choice. In addition, the Commission's staff conducted a broader review of scripts. Despite occasional aberrations from policy guidelines, we are satisfied that both radios have established procedures for review, evaluation, and consultation with program scrip writers to insure compliance with basic editorial policy. (See Appendix E for RFE and RL internal policy guidelines.)

The governments of the countries to which they broadcast have, of course, accused them of distortions and provocations. The Commission believes that such accusations are almost entirely unwarranted. That communist governments are super-sensitive goes without saying—otherwise they would let their citizens have free access to the news, and RFE and RL would indeed be superfluous.

The task of the stations is to provide that which is not available in the media of the countries to which they broadcast—full and honest information, interpretation, and analysis. Thus, the stations should continue to serve as a surrogate free press under the policy guidelines appended to this report.

SAMIZDAT

An important new phenomenon significantly affecting the role of Radio Liberty is *samizdat*. *Samizdat*, literally "self-publishing," means the circulation of manuscripts in typescript by individuals to avoid official censorship in the Soviet Union. *Samizdat* may range from a full book to an open letter. It has become the most effective expression of dissent in the Soviet Union. Radio Liberty has the largest collection of *samizdat* in the West. As part of Radio Liberty's effort to keep Soviet citizens informed about what is being done and said in their own country which goes unreported in the official media, Radio Liberty devotes an average of 25 percent of its Russian and other language feature programming to readings or discussions of these indigenous Soviet works. In addition, RFE uses relevant *samizdat* material in its transmissions.

Although many of the documents of *samizdat* reaching the West come from a small group of activists fighting for human rights, writers of *samizdat* are by no means in agreement on points of view or possible solutions to problems.

Following are some examples of the wide variety of *samizdat* materials have been regularly broadcast recently:

Aleksandr Solzhenitsyn's novels and unpublished works of other literary figures.

Letters and petitions of Jews wishing to emigrate.

Letters and petitions as well as actual prayer books and newsletters of Baptists.

Protests of Lithuanian Catholics against persecution.

Protest letters from relatives and friends concerning political dissenters placed in prison or mental hospitals without trial or medical cause.

Essays, petitions, and letters of protest written by members of the Soviet "Committee on Human Rights," founded in 1970 by a group of scientists headed by Andrei Sakharov, the Soviet physicist known as the "father of the Soviet H-bomb."

Samizdat circulated in collections as periodicals, letters, and essays on scientific and social problems.

In introducing *samizdat* broadcasts, Radio Liberty makes it clear that the opinions expressed do not necessarily represent those of the station. Radio Liberty serves merely as an "echo chamber," beaming texts back to the Soviet Union, often into tape recorders (popularly known as "magizdat" or tape-publishing), from which many transcripts are typed and reproduced.

At the present time Radio Liberty has a collection of approximately 2,000 *samizdat* documents. New documents come in every week. In the past year an archive has been created in the Central Research Department of Radio Liberty in Munich. Radio Liberty considers its collection in the public domain and seeks to make the materials broadly available to the world academic community.

EVOLUTION OF RFE AND RL

RFE went on the air in July 1950 as a division of the National Committee for a Free Europe, which had been founded a year earlier at the height of the Cold War in the wake of the Berlin Blockade and the communist seizure of power in Czechoslovakia.

From its "Cold War" beginning, RFE has evolved into a "home service" broadcaster. Though the first changes in this direction can be traced to the period before the Hungarian uprising in 1956, that event—in which RFE's role was severely criticized—marked a turning point for the station. Thereafter, RFE saw its role increasingly as comparable to a free press working from outside, not to overthrow the communist system but to spread truthful information which could help bring about peaceful improvements in internal and international relations.

What is now called Radio Liberty was initiated organizationally with the incorporation of the "American Committee for Freedom of the Peoples of the USSR, Inc.," on January 18, 1951. One of the purposes of this committee was to sponsor shortwave broadcasts to the USSR by former Soviet citizens living in the West. Broadcasts of "Radio Liberation" began two years later, on March 1, 1953, just a few days before Stalin's death. The name was changed to Radio Liberty in December 1963. The name change is just one indication of the policy evolution at Radio Liberty, too, over the years.

DÉTENTE AND THE CONTINUING NEED FOR RFE AND RL

It has been argued that recent improvements in relations between the Soviet Union and the United States of America dictate termination of Radio Free Europe and Radio Liberty. Why continue an alleged irritant when things seem to be getting better? Why continue programs that were started in the Cold War period now that the Cold War is seemingly being replaced by serious efforts to increase detente?

The Commission is satisfied that the two radio operations have adjusted progressively to meet the requirements of changing times, that they do not operate to keep alive Cold War animosities, and that they can contribute to detente by adding to knowledge and understanding.

But the road to detente is a two-way street. A most important consideration for the future role of RFE and RL is the fact that Soviet and East European leaders and media have made it clear, even after the thaw in East-West relations began, that the principles of coexistence do not "offer possibilities of relaxing the ideological struggle." "On the contrary," Party leader Leonid Brezhnev stated at the time of Castro's visit to Moscow on June 27, 1972,

". . . we must be ready to see the (ideological) struggle intensify, become an ever sharper form of antagonism of two social systems. And we have no doubt in the outcome of this antagonism, for the truth of history, the objective laws of social development are on our side."

In reporting to Congress in June 1972, after his visit to the Soviet Union, President Nixon confirmed that the attitude of the Soviet leaders in this respect had not changed:

". . . We must remember that Soviet ideology still proclaims hostility to some of America's most basic values. The Soviet leaders remain committed to that ideology. Like the nation they lead, they are and will continue to be totally dedicated competitors of the United States."

Whether we like it or not, therefore, we must recognize that detente in relations with the outside world is for the communist governments by no means congruent with relaxation of restrictions, censorship, and all the other inhibitions which impede the right of their own people to be informed. We see this in the Soviet Union itself and typically in Romania, which pursues a fairly independent foreign policy but continues its restrictive policies inside its borders. In Poland, jamming has been reinstituted. It has continued in Czechoslovakia and Bulgaria. In recent debates in the United Nations General Assembly and UNESCO, the USSR has advocated the strictest censorship over international television by satellite.

Despite such developments, the Commission, after careful study, believes that the broadcasts of RFE and RL in recent years have not deterred but rather have contributed to the search for long-term detente that we witness today.

First of all, it is a fact that the recent improvement in East-West government relations has taken place while these stations were operating and some communist governments were denouncing them bitterly. Furthermore, the Soviet Union apparently does not think its own international broadcasts have a damaging effect. After all, it devotes a major effort—as described in Section II of this report—to the conduct of what it continues to call its "ideological struggle against imperialism." The West has not objected and should not object in view of its acceptance of the principle of the free flow of information.

The Commission believes that peace is more secure in well informed societies and that uninformed societies may more easily be manipulated in directions threatening world peace. Access to information is necessary to East European societies in order that citizens there may form sound and responsible judgments about their own and world affairs.

The two radios, by providing a flow of free information and interpretation, have enabled the peoples to whom they broadcast to remain informed and to judge for themselves which policies may contribute to social change and genuine improvement of peaceful relations.

These stations are dedicated to providing full information to peoples who otherwise would be deprived of it. They have informed their audiences of developments and conditions in the world outside. They have conducted extensive research to provide these peoples with news and authoritative interpretations of events within their own countries which otherwise they would not have received. Ample testimony supports the claim that RFE and RL are regarded by many of their listeners as "our radio."

In the post-Stalin period, East European party leaders, while seeking to maintain their control, sometimes by means of coercion, have been obliged increasingly to take popular "pressures" into consideration. They can no longer manufacture history to suit their needs. Brezhnev, for instance, felt it necessary to justify the invasion of Czechoslovakia; Stalin, in contrast, never felt compelled to explain or justify anything—he operated in an air-tight public opinion vacuum.

The Commission, therefore, is confident that the radios, by providing information and interpretation, will continue to be of help in future negotiations and cooperation between the Soviet Union and the United States in such areas as strategic arms limitation, trade, European security, and environmental protection.

The Commission has also addressed itself to the question of how long RFE and RL must or should continue. It is our judgment that until the Soviet Union and East European countries change their attitudes and permit a free flow of truthful information, it is in the interests of the United States for the stations to continue. It may be envisioned that one or the other of the RFE audience countries will progress in its "relaxation" policy to such a degree as to permit discontinuation of broadcasts in that country's language. Such a change in the Soviet Union is probably more remote. The Commission feels that plans for the stations should be of a long-range nature, and the recommendations in the following sections are made on that basis. However, the Executive Branch and the Congress must remain alert to changes within the countries to which the stations broadcast and review the situation at regular intervals.

EFFECTIVENESS

Evaluating listenership and reactions is, of course, most difficult in the "muffled zones," but the stations attempt to evaluate their impact. RFE's task in this respect is considerably easier than is RL's.

In summary, RFE's surveys of East European listening habits show a listenership (one or more times a month) of more than 30 million people, which represents 50 percent of the over-14 population of the five audience areas. Surveys indicate that daily listenership is substantial; in Poland on an average day 38 percent of the RFE listenership can be expected to tune in; in Hungary, 43 percent; in Romania, 59 percent. There is evidence that in times of crisis listenership increases sharply.

RFE's opinion-sampling methods have been examined and endorsed by outside specialists in the field. For example, one report—by Oliver Quayle and Company in October 1970—said in part:

"RFE management can take pride and place confidence in this phase of operation. . . . Opinion research procedures at Radio Free Europe are sound."

The methods and validity of RFE's audience research were also favorably commented upon in the Library of Congress' Congressional Research Service Report of March 22, 1972. The study concluded that the "weight of the evidence is that RFE has a substantial and growing popular audience in the five East European countries."

Radio Liberty faces a more difficult task in evaluating the impact of its broadcasts. Soviet citizens travel abroad much less than other East Europeans. They are also more likely to be watched when they are abroad, and they are more averse to interviews than East Europeans. Despite these limitations, however, Radio Liberty is still able to conduct audience surveys of some value.

The Congressional Research Service, which employed a specialist in audience analysis, endorsed the view that available evidence of mail, refugees, defectors, recent emigres to the West, and the "negative" indicators of continuous jamming and regime attacks testify to the impact of Radio Liberty. Furthermore, since the report of the Congressional Research Service was prepared, Radio Liberty has initiated more extensive and more sophisticated evalaution procedures.

Reports from Soviet and East European visitors to the West who are or have been in a position to know attest that RFE and RL are monitored in each country and transcripts are circulated daily or weekly in high party and government circles. These reports are confirmed by frequent verbatim references in Eastern media. In two speeches, for example, Czechoslovakia Party leader Gustav Husak has referred to "reading" monitorings of RFE, while former Polish Party leader Gomulka is reported by his former private secretary to have been a regular reader. Moreover, Gomulka once knowledgeably discussed a broadcast by the RFE Polish chief with a leading West German journalist.

SAMPLES OF EFFECTIVENESS

The listenership and impact of the two stations can be supported by many examples. We have selected some examples of effective programming from hundreds that could be cited.

The Soviet mass media have constantly reported all economic and military aid given by the United States to Israel but have not informed the people of the massive help given by the USSR to the Arab nations, especially Egypt. Hence, when the Soviet government has accused the United States of being "Zionist" and the "imperialistic power in the Middle East," many have believed the propaganda. Radio Liberty has given all the facts. Its analyses, based on careful research, have shown the vastness of the Soviet commitment of resources to the Arab states at a time when these resources are badly needed at home and have shown that this aid was not contributing to a peaceful solution of the Arab-Israeli conflict. Broadcasts on this topic have been of particular interest to the Soviet Moslem populations, for most of whom Radio Liberty represents the only non-communist source of information in their native languages. Among them and other Soviet citizens RL's broadcasts gave a realistic basis for understanding the Arab-Israeli conflict and eased the way for the shock of the Egyptian ouster of Soviet troops and advisers in the summer of 1972.

When President Sadat announced the expansion of the Soviet military on July 18, 1972, Soviet and East European media delayed an average of 24 hours in reporting the story. The controlled media had to wait for the development of an official policy toward the event even though it had already made headlines in the non-communist world. When the controlled press reports finally did appear, they claimed that the

Soviet military contingent had "completed its functions" and that the USSR and Egypt had agreed it was "expedient to bring back to the Soviet Union the military personnel who had been sent to Egypt for a limited period." The long stony silence of the communist media gave Radio Liberty and Radio Free Europe the opportunity to fill the information gap in a situation of international importance. Hence domestic media had to broadcast the news, depriving the Soviet government of the opportunity to take decisions undisturbed by general public knowledge.

One of the most effective programs of Radio Liberty and Radio Free Europe in the last few years has been the broadcasting of criticisms by Western communist parties, particularly by the large Italian and French parties. Such criticisms have special impact, coming as they do from what the communists call "fraternal" organizations. In September 1971, Mario Dido, an official of Italy's major communist-dominated labor federation, led a delegation of trade unionists on a visit to the new Soviet automobile factory at Togliattigrad, a factory built by the Italian Fiat company. (The city was named after the late leader of the Italian Communist Party, Mario Togliatti.) On his return, Dido, a Marxist-socialist, in the Italian weekly magazine *L'Expresso*, expressed highly critical views of Soviet methods of dealing with workers and Soviet trade unionism in general. Radio Liberty gave extensive coverage to Dido's observations, emphasizing the communist source of the criticism. Said Dido: "Whereas in Italy unions struggle against management in order to humanize work conditions, in the USSR the unions were working to enforce the capitalist methods without regard for the workers' interest." He stressed the lack of basic rights by Soviet workers and declared: ". . . In the Soviet Union, the fatherland of Socialism, the workers cannot express their point of view." Radio Free Europe pointed out that Dido's observations applied not only to the USSR but to the Eastern communist countries as well.

A classic example of why Radio Free Europe and Radio Liberty have a large listenership occurred during the "Prague Spring" of 1968. The removal of Stalin-type communist leader Antonin Novotny and his replacement by the more liberal Alexander Dubcek brought about a sudden and unexpected experimentation with genuinely free media in a country which had not experienced a free press for twenty years. In those twenty years, Radio Free Europe had become the main source of uncensored "home" news. It is significant that during this shortlived Dubcek period listening to Radio Free Europe declined steadily in Czechoslovakia, from approximately 60 percent at the beginning of 1968, before information controls had been lifted, to an estimated 37 percent of the politically aware population in the early summer period when domestic media became substantially free. But with the Soviet occupation of Czechoslovakia and the reimposition of rigid information controls, an immediate upsurge in the listening to RFE occurred.

Radio Liberty has devoted numerous programs to petitions, letters of protest, and appeals by individuals and groups of Russian Jews demanding the right to emigrate to Israel. By broadcasting such documents and reporting the revulsion of American and Western public opinion against the new exit tax, Radio Liberty provided encouragement to the aspirations of Jews inside the Soviet Union. The story of the Soviet education exit tax shows how Radio Liberty has filled the information gap on a question of vital interest to a certain segment of its listeners and may have played a role in bringing about greater official Soviet attention to the rights which the education tax violated. Soviet media never directly mentioned the enactment of the education tax law of August 3, 1972, by the U.S.S.R. Supreme Soviet Presidium until January 1973, although it leaked the fact of the law and its provisions to Western correspondents. Many Jews in the USSR and in the West believe that Radio Liberty, by spreading knowledge of protests and dissent, has been instrumental in protecting the people involved from the persecution to which they might otherwise have been exposed. One example: Isai Averbukh and his wife, Jewish activists, after many efforts, managed to reach Israel in early 1972. In Israel, Mr. Averbukh reported that in October 1971 he signed a petition defending another activist dissenter. The next morning on Radio Liberty he heard the text of the petition and the names of the signatories. He recalled how elated he felt that their action thus became known and said, "They (the Soviet police) can arrest us now, but our testimony will stand in history."

A striking example of a communist media "omission" and subsequent RFE "rectification" occurred in May 1972 after official discussions in Warsaw aimed at encouraging scientific exchanges. On that occasion, the U.S. Academy of Sciences offered a generous gift to the Polish government to build an astronomical research center in Warsaw to honor the 500th anniversary of the birth of the famous Polish astronomer, Copernicus. The offer of $1 million was gratefully accepted. Strangely, however, the Polish media, though reporting the Polish-American scientific talks, made no mention of the offer or its acceptance by the Polish government. RFE provided the detailed facts and asked why the Polish press found the gift lacking in newsworthiness.

On May 20, 1972, anticipating the visit of President Nixon, Polish TV prepared a special program on post-war U.S.-Soviet relations which was full of distortions. Two days later, RFE broadcast a carefully documented program which corrected the distortions and filled in the omissions. While the Polish government desired President Nixon's visit for political and economic reasons, it was not eager to see a repeat performance of the tumultuous welcome given him when he had visited Poland as Vice President in 1959. Consequently, the local press and radio refrained from giving information about the President's program or the route the motorcade would take after the arrival in Warsaw. About 1,000 selected persons formed the "welcoming audience" at the airport. RFE's broadcasts, concentrating on the President's trip and providing information on the arrival schedule, contributed to a popular outpouring thereafter. A crowd variously estimated at 100,000 to 300,000 viewed the motorcade and greeted President and Mrs. Nixon enthusiastically.

Visiting Moscow in May 1972 President Nixon addressed the Soviet people via TV. It was characteristic of normal "restrictions" on information that *Pravda* left out a number of the most significant passages in its report on the President's address. Radio Liberty and Radio Free Europe laid particular stress on the omitted passages, especially one in which the President stressed that the goal of the two nations "should be to discourage aggression in other parts of the world, and particularly among those smaller nations that look to us for leadership and example. . . ."

In the wake of a regime announcement of substantial price increases on food and other consumer goods on December 12, 1970, workers in the Polish Baltic seacoast cities exploded into a series of angry demonstrations. The regime used severe police measures to suppress the demonstrations and imposed strict censorship on the information media outside the local area with a view to achieving a blackout of knowledge about these events. RFE, y monitoring radio broadcasts in the disturbed area, was able to inform the Polish population generally about the protests, the substance of the workers' demands, and the measures taken to crush them. Soon nationwide dissatisfaction of workers forced the government to stop its repressive actions and eventually to replace Chairman Wladyslaw Gomulka with Edward Gierek, who adopted new policies, negotiated with the workers, and accepted most of their demands. The RFE broadcasts were cautious and scrupulously accurate. The facts contributed to the cessation of government repression and the improvement of living conditions in Poland.

In an interview with *The New York Times* published April 2, 1972, the famous Russian novelist and author, Aleksandr Solzhenitsyn, whose writings are banned in his own country, attributed great importance to Radio Liberty's broadcasts, saying: "If we ever hear anything about events in this country (USSR), it's through them (Radio Liberty broadcasts)." Solzhenitsyn, in a speech on the occasion of his receiving the 1970 Nobel Prize for literature, made a passionate plea for freedom of information, pointing out why in an era of negotiation freedom of information has even greater importance: "Suppression of information renders international signatures and agreements illusory. Within a muffled zone it costs nothing to reinterpret any agreement, even simpler—to forget it, as though it had never really existed." The speech, never delivered in the USSR because the authorities cancelled the award ceremonies, was later published in *Les Prix Nobel*, the publication of the Nobel Foundation in Stockholm. Solzhenitsyn attacked all governments which suppress the free flow of information and said that there are "no internal affairs left on our crowded earth." He asked fellow writers all over the world to use their literary talents "to conquer falsehood" and described how the international intellectual community during the time of his persecution at home put up a "wall of defense" around him. His address was broadcast by Radio Liberty.

Alexey Vasilevich Levin, a nuclear physicist who left the Soviet Union in 1968, in testimony before the Foreign Affairs Committee of the House of Representatives on September 14, 1971, described the all-encompassing atmosphere of indoctrination in the Soviet Union. In his youth, he believed, as did all his friends, everything the Soviet government proclaimed. Up to age 19, he was convinced that the United States was "prepared at any moment to let fall an atomic bomb." Mr. Levin said that at that age he would have been ready to put down the uprising in Hungary or to march into Czechoslovakia, believing every word the Soviet news media were saying about American "intelligence operations" and "provocations by anti-socialist elements." "If I am not now sitting in a Soviet tank in Czechoslovakia, or being expelled from the Sudan as a Soviet advisor implicated in an attempted communist takeover, or fulfilling some other imperialist role, I owe that fact entirely to the information which seeps into the Soviet Union from abroad. It was only because of that uncensored information that I started to think about the reality of Soviet life around me." By pure chance, when he was 19, he heard from a student friend about a broadcast from abroad that dealt with the rights of American workers. This induced him to listen to Radio Liberty. Gradually he came to realize that the Soviet media had been misleading him all his life. He began to understand that there was another world outside the Soviet Union, a world of human well-being and freedom. He described movingly how, because of Soviet jamming, he sometimes went to the suburbs where it was easier to receive Radio Liberty broadcasts. From the vantage point of his present residence in the United States, he emphasized

that his country "needs Radio Liberty" and that without a free flow of information the Soviet Union "just as any other country, would be in danger of having its people turned into blind fanatics."

The population structure of Eastern Europe is young. In Poland, for example, 46 percent of the nation is under 26 years of age. Communist media have tried to indoctrinate youth, and the government has sought to isolate them from contacts and influences from the outside. Radio Free Europe penetrates this wall of isolation with broadcasts of facts and interpretations designed for young people, presentations of controversial points of view, and programs of popular Western music. Such programs have a particular appeal to Eastern European youth, since they give a picture of the aspirations and hopes of young people in the free world. It is worth noting that of the nearly 8,000 persons in Eastern Europe who, on the average, write to RFE annually, about 85 percent are under 25. Eastern European government stations have recently been providing modern music and other stimulating programs for youth—apparently to "compete" more effectively for the audience with RFE.

In midsummer 1972, the Czechoslovak regime brought to trial and sentenced to prison 46 persons, many of them well-known supporters of the short-lived 1968 liberal Dubcek reforms. The people on trial were ostensibly charged with violations of the "Socialist constitution" for distributing pamphlets in connection with state-wide elections in the fall of 1971 rather than for their opposition in 1968 and 1969 to the Soviet invasion and the reimposition of Stalinist methods. The trials negated party leader Gustav Husak's promise that no one would be prosecuted for his views or actions in 1968 and 1969. The trials had a profound impact both in Czechoslovakia and abroad, not only because they abrogated Husak's promises, but because they signified the regime's decision to end its toleration of political dissidence. Radio Free Europe, in a major effort to fill the information gap, broadcast to Czechoslovakia the sharply negative reaction of practically the entire political spectrum in the West. Particularly effective was the communication of critical views of Western communist parties, such as a sharp condemning statement by the Italian communist party. A significant part of Radio Free Europe's treatment of the story was the parallel drawn between the recent Angela Davis trial (which resulted in her acquittal) and the Czechoslovak trials (which resulted in prison sentences). It cannot be proved that Radio Free Europe's public airing of the trials and the sharp criticism by the entire West, including Western communist parties, prevented even harsher sentences and saved additional persons from prosecution. It is a fact, however, that the Czechoslovak regime had given only sparse coverage to the trials and that only Radio Free Europe brought the detailed facts into the open.

As of early 1973, Soviet media had not yet informed their domestic audiences about the massive Soviet grain purchases in the United States, although they have made a point of reporting similar purchases by China. Radio Liberty has given all available information on the negotiations which led to grain purchases in the United States and elsewhere, highlighting statements of Soviet officials at home and abroad pertaining to the purchases and to crop failures—statements about which the Soviet press and radio have not informed their own people.

S. 1920

At the request of Mr. METCALF, the Senator from Oregon (Mr. HATFIELD), and the Senator from North Carolina (Mr. ERVIN) were added as cosponsors of S. 1920, to require the advice and consent of the Senate for future appointments to the offices of Director and Deputy Director of the Office of Management and Budget.

SENATE CONCURRENT RESOLUTION 29—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING PRINTING OF ADDITIONAL COPIES OF SENATE HEARINGS

(Referred to the Committee on Rules and Administration.)

Mr. ERVIN submitted the following concurrent resolution:

S. CON. RES. 29

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Select Committee on Presidential Campaign Activities not to exceed five thousand additional copies of all parts of its hearings on illegal, improper, or unethical activities during the presidential election of 1972.

SEC. 2. The authorization conferred by section 1 of this concurrent resolution shall terminate on February 28, 1974.

SENATE RESOLUTION 124—SUBMISSION OF A RESOLUTION TO IMPROVE MEDICARE COVERAGE

(Referred to the Committee on Finance.)

SENATE RESOLUTION TO IMPROVE MEDICARE COVERAGE AND TO EXPRESS OPPOSITION TO CUTBACKS IN COVERAGE

Mr. CHURCH. Mr. President, on behalf of the Senator from Minnesota (Mr. MONDALE) and myself, I introduce for appropriate reference a resolution to:

Call upon the administration to submit legislative recommendations to improve medicare coverage; and

Oppose the administration's proposals to increase out-of-pocket payments for the elderly and disabled under medicare.

A few days ago, the Senate Committee on Aging—of which I am chairman—issued its annual report concerning developments in aging.

One of the most startling findings in that report is: Older Americans now pay more in out-of-pocket payments for medical treatment than the year before medicare became law.

At that time they paid $234 from their own resources. In fiscal 1972, that figure had soared to $276, or $42 more than in 1966.

This amount, I should add, does not include the part B premium charge, which will reach $75.60 on an annualized basis for elderly persons, beginning this July.

On top of all this, the administration has proposed to weigh down the aged and disabled with new additional costs for hospital and medical treatment.

Under the administration's proposal, medicare patients would pay for hospital room and board charges for the first full day, plus 10 percent of all subsequent charges. Now they pay a $72 deductible for hospitalization and nothing thereafter until the 61st day.

Massive constriction is also urged by the administration for the part B supplementary medical insurance program. Specifically the administration would make the elderly and disabled pay the first $85 of their doctor and other medical bills, instead of the current $60 deductible. Moreover, after this deductible is met, medicare patients would pay 25 percent of the balance under the administration's proposal, instead of 20 percent.

In terms of dollars and cents, these recommended changes would saddle the elderly and disabled with added out-of-pocket payments amounting to $516 million for the first 6 months in 1974. But for a full year, these proposals would cost medicare patients more than $1 billion.

Few Americans dispute the need for trimming wasteful and unnecessary Federal funding, but surely a better target could have been selected than the medicare program.

Despite its valuable protection, medicare still only covers about 42 percent of the elderly's health care expenditures. If the administration's shortsighted proposals should be approved, the program could be severely crippled.

Instead of cutting back essential protection for the aged, our goal should be to improve the medicare program.

This point cannot be minimized because health care expenditures for persons 65 or older average about $981 a year, approximately 6⅔ times that for individuals under 19 and about 2⅔ greater than for persons in the 19-to-64 age category.

Older Americans now account for 27 percent of all medical expenses, although they constitute only 10 percent of the entire population.

These statistics underscore a very harsh fact of life: illness strikes with far greater frequency and severity at a time in life when its victims can least afford it.

Quite clearly, true economic security in retirement can never be achieved until we resolve the serious medical cost problems which impose an intolerable drain upon the limited incomes of older Americans.

Even with medicare, the threat of costly and catastrophic illness is all too real for millions of older Americans. That threat—intensified by the rapid rise in health care costs—must be effectively dealt with at the earliest possible time.

For these reasons our resolution would call upon the administration to submit their recommendations by September 1 to strengthen medicare coverage. Moreover, our proposal would also put the administration on notice that the Congress will not be a party to any efforts to torpedo the medicare program by ill-conceived cutbacks in coverage.

Mr. President, I urge prompt consideration of this measure and ask unanimous consent that it be printed at this point in the RECORD.

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

S. RES. 124

Resolution to urge the President to submit recommendations to the Congress for legislation to improve the Medicare program

Resolved, Whereas, average medical expenditures for persons aged 65 or older in fiscal year 1972 amounted to $981, about six

and two-thirds times those for individuals under the age of 19 and nearly two and two-thirds times those for individuals between the ages of 19 and 64;

Whereas, out-of-pocket, per capita direct payments for medical treatment for individuals aged 65 or older amounted to $234 in fiscal year 1966;

Whereas, such out-of-pocket payments for medical treatment increased to $276 by fiscal year 1972, nearly $42 more than for the fiscal year before Medicare became effective;

Whereas, Medicare covered only 42 percent of the health care expenditures for elderly individuals in fiscal year 1972;

Whereas, the President has proposed to increase the out-of-pocket payments for the aged and disabled by requiring Medicare patients to pay the first full day's hospital charge for room and board, plus 10 percent of all subsequent charges;

Whereas, the President has also recommended that the deductible charge for supplementary medical insurance under part B of Medicare be raised from $60 to $85 and that the patient's coinsurance charge be raised from 20 to 25 percent;

Whereas, such proposed cutbacks in Medicare coverage would increase out-of-pocket payments for aged and disabled individuals for hospital and medical services by an estimated $516 million for the first 6 months in the calendar year 1974, and more than $1 billion annually thereafter: Now, therefore, be it

Resolved by the Senate, That it is the sense of the Senate that the President is urged and requested to submit proposals to the Congress, beginning with extending the coverage provided under the supplementary medical insurance program of part B of Medicare to cover essential out-of-hospital prescription drugs.

SEC. 2. The President is further urged and requested to submit additional recommendations to the Congress for legislation to strengthen and improve Medicare coverage by September 1, 1973.

SEC. 3. The recommendation of the President to increase out-of-pocket payments for the aged and disabled under Medicare should be withdrawn.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENT

AMENDMENT NO. 209

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

EQUITY FOR NURSING HOMES UNDER MEDICAID

Mr. HUMPHREY. Mr. President, I submit for appropriate reference an amendment to H.R. 3153, amending the Social Security Act to make certain technical and conforming changes, to amend section 1903 of the Social Security Act by repealing statutory limitations on Federal financial participation in payments to skilled nursing homes and intermediate care facilities under the medicaid program.

Other bills have been introduced for this purpose, and I am aware that my amendment proposes a substantive change under legislation which otherwise would be limited to technical and conforming changes in the Social Security Act.

However, my purpose in introducing this amendment is to emphasize the urgency of providing effective relief to nursing homes and intermediate care facilities which have confronted sharply rising costs for the provision of services under medicaid.

The provision at issue here was enacted into law as part of H.R. 1—Public Law 92-603—last year, and it limits increases in the Federal matching portion for nursing home care to 105 percent of the previous year's commitment. When the Senate originally passed H.R. 1, this particular section was deleted from the bill because it was recognized that such a limitation was unrelated to patient needs and inconsistent with ongoing efforts to upgrade facilities and expand services to the elderly.

Mr. President, I believe that it is unrealistic for the Federal Government to arbitrarily set in advance a percentage ceiling on its commitment to assist the provision of vitally needed services in our long-term care facilities.

Section 1903(j) became part of statutory laws at a time when it was generally acknowledged that medicaid rates already were too low, failing in many States to meet the actual costs incurred by providers. Another provision of H.R. 1—section 249—addressed the question of adequate nursing home rates by providing that reimbursement be on a basis reasonably related to cost by July 1976. I believe this approach is more logical and responsible, and the limitation imposed by section 1903(j) would appear to be in conflict with this mandate for cost-related reimbursement.

Because a number of States are presently operating with cost-related reimbursement formula, it has been suggested that an amendment to waive section 1903(j) for those States would be appropriate. There are, however, two key problems with that suggestion. First, such an amendment would provide no resolution of reimbursement problems in other States. Second, the Department of Health, Education, and Welfare has not made a determination as to what an acceptable cost-related reimbursement system will be.

Members of the American Nursing Home Association and the Minnesota Association of Health Care Facilities have challenged section 1903(j) as arbitrary and inequitable. I concur with their position and believe the provision should be repealed.

There are several additional specific reasons which support the reform I am proposing.

First, the provision in question applies only to nursing homes. It does not apply to hospitals, although nursing homes must compete with hospitals for skilled personnel and face similar costs for food and supplies.

Second, there is no consideration given under this provision to cost increases necessitated by new and higher federally imposed standards.

Third, there is no concession in the 5-percent limitation for inflationary increases beyond this level in the costs of food, supplies and services used by nursing homes. These increases in operating costs have been particularly serious during the current inflationary spiral.

It should be noted that a number of cost control mechanisms exist relative to nursing homes, other than section 1903(j). Utilization review and PSRO's are two salient examples under H.R. 1. Further, phase III controls remain on the health services industries.

I feel that all these considerations form a compelling case for the repeal of section 1903(j). Congress has made a promise to assist the provision of needed services to our indigent elderly citizens through medicaid. I intend to do everything possible to help insure that long-term care facilities are places where our elderly can be cared for with dignity and security. Repeal of section 1903(j) is a major step in this direction.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

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

AMENDMENT NO. 209

On page 9, between lines 5 and 6, insert the following:

"SEC. 5. Section 1903 of the Social Security Act is amended by striking subsection (j) thereof in its entirety."

On page 9, line 6, renumber SEC. 5 as SEC. 6.

ESTABLISHMENT OF A FEDERAL FINANCING BANK—AMENDMENT

AMENDMENT NO. 210

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

Mr. JACKSON. Mr. President, I submit an amendment to S. 925, a bill to establish a Federal Financing Bank which would mandate a freeze across the board of wages, prices, rents, interest rates, and dividends for a period of 90 days. And it would direct the President to use this period to develop and implement a long-range, fair, workable plan to control inflation and protect the purchasing power of the dollar.

I may state for the record, Mr. President, that I am prepared to offer this amendment to any other appropriate bill in order to secure immediate action by the Congress. Today's announcement that wholesale prices soared at the extraordinary annual rate of 24 percent last month makes clear that inflation has become so critical that we are confronted with a national emergency.

I point out, Mr. President, that 12 months ago I proposed an overall freeze of this kind to the Senate and it was rejected by a narrow margin of two votes. Today, the evidence is more clearcut than ever that Congress must take this initiative to protect the consuming public and maintain a viable economy.

Even before today's announcement we had known that prices have been rising at the fastest rate in more than two decades. The consumer price index rose 8.8 percent in the first quarter of this year, almost three times the rate of increase for the last quarter of 1972.

As a result, real wages are lower now than they were 6 months ago. People who put their savings in accounts paying 5-percent interest actually lost money in the first quarter of 1973. And workers who settled for 5-percent wages increases are still losing ground.

I would remind my colleagues that we have been through this before—and

much too recently. We are in the midst of a rerun of the 1969–71 inflation-tight money recession performance turned in by the first Nixon administration. That performance cost the American people hundreds of millions of dollars in lost wages, lost purchasing power, and lost GNP. But it did little to change the stone age thinking of the textbook theorists now directing a repeat performance of that economic tragedy.

Clearly, Mr. President, we are on the brink of another round of cost-push inflation that will put the consumer price index into orbit. The general freeze I am proposing is the only kind of shock treatment that will forestall this happening and give us time to develop a new counter inflation strategy. It is the best way we can show the world we intend to control inflation and avoid continued upheavals in world money markets.

The record is all too clear that Congress was right—and the administration dead wrong—about controlling inflation 3 years ago. Once again we must take the initiative to protect our economy and our pocketbooks. I strongly urge the Senate to vote this mandatory freeze and do so now.

Mr. President, I ask unanimous consent that an article written by Lee M. Cohn entitled "Farm Goods Lead Sharp Price Increase," published in the Washington Star-Daily News of June 7, 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.

FARM GOODS LEAD SHARP PRICE RISE

(By Lee M. Cohn)

Wholesale prices soared at an annual rate of 24 percent last month, with farm prices leading the way, the Labor Department reported today.

The acceleration of price increases heightened pressure on President Nixon to take stronger action against inflation.

Wholesale prices, which inevitably influence price inflation at the retail level, had risen a bit more slowly in April, but the figures reported today for May indicated that there has been no real break in the inflation spiral.

Among other records set, the 12-month increase in consumer food prices was the greatest since 1947.

Prices of farm products and processed foods and feeds surged 4.1 percent in May—an annual rate of 49.2 percent—after increasing only 0.1 percent in April.

Prices of industrial products rose 1.2 percent in May, an annual rate of 14.4 percent, following a 1.3 percent rise in April.

The increase in wholesale prices paid by supermarkets for food at the stage just before the retail level increased only 0.3 percent in May, off from 1.4 percent in April. But the accelerating increases at the farm level indicate that supermarket prices will rise more rapidly in the months ahead.

Prices of consumer goods other than food at the wholesale level increased 1.1 percent in May following a 1.4 percent rise in April.

The overall wholesale price index rose 2 percent on a seasonally adjusted basis in May, which works out to a seasonally adjusted annual rate of 24 percent. The April increase was 1 percent.

This index has soared at an annual rate of 23.4 percent in the last three months, up from a 17.6 percent rate in the preceding three months.

In absolute terms, without adjustment to discount seasonal influences, wholesale prices rose 2.1 percent in May and 0.8 percent in April. This put the index 12.9 percent above a year ago.

None of the major price categories registered record increases on a seasonally adjusted basis last month. But the increases were only a shade smaller than those recorded in March, which generally was the worst month in 22 years.

Major elements in the acceleration of price increases last month included animal feeds, oilseeds, grains and fuels.

On an unadjusted basis, livestock prices rose 2.5 percent in May to a level 35 percent above May 1972.

The broad category of meat, poultry and fish declined 0.4 percent at the wholesale level. However, animal feeds spurted 26.8 percent, to a level 94.9 percent above May 1972, which indicates that livestock and meat prices will accelerate in the months ahead.

Fuel and related products rose 2.8 percent last month, increasing these prices 15.3 percent above May 1972. Within this category, tight oil supplies were reflected in a 4.7 percent rise in prices of refined petroleum products, to level 24.8 percent above a year earlier.

Wholesale prices of farm products and processed foods and feeds, which rose 4.1 percent seasonally adjusted in May (an annual rate of 49.2 percent) increased 4.7 percent on an unadjusted basis.

These prices rose at a seasonally adjusted annual rate of 43.4 percent in the last three months and at a 51.5 percent in the preceding three months. The price level in May was 29.1 percent above May 1972.

Although price increases in May for most categories were slightly smaller than those in March, several records were set for 12-month rises.

The 18.7 percent rise in consumer food prices over May 1972 was the biggest since the government started keeping records on this basis in 1947.

The rise of 29.1 percent over the year for farm products and processed foods and feeds also was a record.

The 12.9 percent increase in the total wholesale price index from May 1972 to last month was the biggest for any 12-month period since 1951.

(The AP quoted a government economist as calling the increase "horrendous.")

Chairman Herbert Stein of the Council of Economic Advisers, who usually finds some signs of hope in price reports, issued a statement merely noting some of the highlights without offering any interpretations.

When a moderation of wholesale price increases was reported a month ago, Stein said, "The rate of increase of farm product prices has passed its peak."

In today's statement, Stein said the Cost of Living Council is investigating the "unsatisfactorily high rate" of increases in industrial prices, and is meeting with representatives of key industries.

The over-all wholesale price index rose at a seasonally adjusted annual rate of 22.8 percent in the first four months of the Phase III control program, up from an annual rate of 6.9 percent in the 14 months of tighter Phase II controls.

Congressional reaction was swift. Senate Democratic leader Mike Mansfield said Nixon must act immediately to halt the upward trend of prices. "Something has to be done and done soon," Mansfield said, adding that if Nixon fails to move, Congress must act.

Sen. William Proxmire, D-Wis., also called upon the President to act now. Proxmire noted that Senate Democrats unanimously adopted a resolution last week calling for a 90-day congressionally imposed freeze on wages, profits, prices and interest rates.

Proxmire indicated he would be willing to offer that resolution as an amendment to the farm bill, now being debated by the Senate, if Nixon fails to act.

AFL–CIO President George Meany said the index report was "another clear indication of the utterly lopsided nature of the administration's economic program . . ." He said only workers' wages are under control, "while prices, profits and interest rates are soaring."

The Nixon administration has been trying to fight the farm and food price spiral by encouraging increased production, but the price figures so far offer little evidence to support predictions that farm and food prices will level off later this year.

Wholesale prices of consumer finished goods, including food and other products increased 0.7 percent seasonally adjusted and 1 percent unadjusted in May. These essentially are the prices paid by retailers, and are most directly linked with movements in consumer prices.

These prices have risen at a seasonally adjusted annual rate of 18.8 percent in the latest three months following a 14.6 percent rate of increase in the preceding three months. Prices in May were 10.7 percent above May 1972.

Within this category, wholesale prices of consumer foods rose 0.3 percent seasonally adjusted and 0.9 percent unadjusted last month. Food prices have risen at a seasonally adjusted annual rate of 27.3 percent in the latest three months following a 28.8 percent rate of increase in the preceding three months. The food price index last month was 18.7 percent above May 1972.

Prices of industrial goods, which are considered the best gauge of underlying inflationary trends, rose only moderately last year but accelerated starting in February.

The acceleration continued in May, with industrial prices rising 1.2 percent seasonally adjusted and 1.1 percent unadjusted.

This sector accelerated to a 15.9 percent seasonally adjusted annual rate in the latest three months from a 5.8 percent rate in the preceding three months. Prices in May were 7 percent above a year earlier.

AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF STATE—AMENDMENT

AMENDMENT NO. 211

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

Mr. HARTKE. Mr. President, I submit an amendment to S. 1248, the State Department authorization bill, and ask that it be ordered to be printed and to lie on the table.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD at this point.

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

AMENDMENT NO. 211

On page 14, after line 8, add the following new section:

RESTRICTIONS OF ILLICIT OPIUM PRODUCERS

SEC. 19. (a) No foreign assistance shall be furnished by the United States Government under any provision of law (other than under chapter 8 of part I of the Foreign Assistance Act of 1961, relating to international narcotics control) to Iran, Afghanistan, Pakistan, Burma, Thailand, or Laos.

(b) If the President finds that any of the foreign countries referred to in subsection (a) of this section has taken adequate steps to prevent the production, transportation, and sale of illicit opium and its derivatives, he may ask Congress to waive the restrictions of such subsection (a), and if Congress concurs, the restrictions shall not apply to that country.

(c) For purposes of this section—

(1) "foreign assistance" means any tangible or intangible item provided by the United States Government (by means of gift, loan, credit sale, guaranty, or any other means) to a foreign country; and

(2) "adequate steps" means such steps as the enactment of public criminal laws, establishment of a viable agency to prevent the production, transportation, and sale of illicit opium and its derivatives, vigorous enforcement of the public laws, and full cooperation with all United States departments and agencies involved in the interdiction of the supply of illicit opium and its derivatives into the United States.

AMENDMENT NO. 214

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

Mr. BAYH submitted an amendment, intended to be proposed by him, to Senate bill 1248, to authorize appropriations for the Department of State, and for other purposes.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973—AMENDMENTS

AMENDMENT NO. 212

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

Mr. PROXMIRE (for himself, Mr. HUGHES, Mr. MCGOVERN, Mr. CLARK, Mr. HUMPHREY, and Mr. ABOUREZK) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1888) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

AMENDMENT NO. 213

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

Mr. PEARSON submitted amendments, intended to be proposed by him, to Senate bill 1888, supra.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 163 TO S. 1888

At the request of Mr. BAYH, the Senator from Iowa (Mr. HUGHES), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the Senator from New York (Mr. BUCKLEY), were added as cosponsors of amendment No. 163 to the Agriculture and Consumer Protection Act of 1973 (S. 1888) to limit payments to individual producers to a total of $20,000.

AMENDMENT NO. 199 TO S. 1888

At the request of Mr. HELMS, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Arizona (Mr. FANNIN), the Senator from Wyoming (Mr. HANSEN), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of amendment No. 199, to Senate bill 1888.

ADDITIONAL STATEMENTS

THE FUTURE OF AMERICA'S OLDER PEOPLE

Mr. CLARK. Mr. President, this week members of the National Council of Senior Citizens have assembled in Washington to attend a legislative conference in order that they may set out their proposals for the future of America's older people.

During the 3-day session, alternatives to present living conditions and social situations now encountered by the elderly and to be encountered by all approaching their later years have and will be discussed within the framework of social and public policy reform at the local, State, and Federal levels. Today, thousands of senior citizens have gathered on the steps of the Capitol to show their dedication and interest toward this reform.

In accordance with these goals, the National Council has set forth in "A Program for the 93d Congress," the many critical problems facing senior citizens that require our attention. In view of the universality of the aging process—the fact that the conditions surrounding poverty, health, loneliness, and fear know no geographic, hereditary, or political boundaries—these proposals ought to be given the most careful attention by all of us in public and private life.

I ask unanimous consent that the text of the issues paper set out by the National Council of Senior Citizens be printed immediately following my statement.

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

[From the Senior Citizens News, June 1973]

A PROGRAM FOR THE 93D CONGRESS—FROM MEMBERS OF THE NATIONAL COUNCIL OF SENIOR CITIZENS

To the Congress and the People—

The delegates to the 1973 Legislative Conference of the National Council of Senior Citizens have come to the seat of government to present to the Congress and the nation our proposals for a better life for America's older people. This Conference would not have been necessary but for the failure of the President of the United States to live up to his pledges, enunciated at the 1971 White House Conference on Aging.

During that meeting, the President, referring to the platform adopted by the delegates pledged that "1972—the post-conference year—would be a year of action." Action was evident, but not the sort we had been led to expect.

Among the major accomplishments of the 92nd Congress were the enactment of the 20 per cent increase in Social Security cash benefits and the Supplemental Security Income program which will, on January 1, 1974, establish a floor of income for all elderly Americans. The Social Security boost became law not with the blessings of the President but in defiance of his threats of a veto.

No clearer indication of the intention of the President to abandon the principles of the White House Conference on Aging exists than the President's own message upon reluctant approval of the 20 per cent increase. In that message the President warned that "since the increase now brings the income of the retired Americans up to a reasonable level, offsetting cuts in other programs can be made. Administration officials criticized what they described as "the alarming trend of certain elected officials to attempt to solve all our domestic problems by throwing dollars at them."

Since then, the President has vetoed the budgets for the Labor and Health, Education and Welfare Departments which contained $100 million for the nutrition program. Therefore, a year after Congressional enactment of the Nutrition Act, there is still no nutrition program for the elderly.

Further, the President later that same year vetoed the Older Americans Act Comprehensive Services Amendments—which would have set up the first nationwide Older American Community Services program—despite overwhelming support by members of both major parties in the Congress. It is true that the President has since signed into law a second version of this Act, but only after forcing a reduction of some $1.5 billion in funding and exclusion of the mature workers training provisions. And, even with this greatly reduced bill, the President approved it only when he became aware of such overwhelming opposition to another veto that it seemed politically unwise to refuse to sign.

THE BUDGET AND TAXES

The President's budget message for 1974 follows in that same vein—and warns that only by allowing the President to arbitrarily determine where to cut back on spending, in order to attain a selected ceiling of $269 billion in expenditures, can Americans hope to avoid a massive tax increase. The President's message can only be viewed by senior citizens as a studied attempt to dismantle social programs designed to improve the quality of life for all Americans. Viewed in conjunction with other Presidential actions, this message must be interpreted as an attempt on the part of the President to usurp the powers of the Congress as a co-equal branch of government and establish government by executive order.

The President opened 1973 by declaring an absolute moratorium on all new commitments for money—already approved by Congress—for public housing, rent supplements, homeownership, water and sewer construction, and water pollution clean-up facilities. The President cited the few cases where these programs have not been completely successful as sufficient reason to cripple or do away with—by executive fiat—virtually all the educational, manpower, health, poverty and environmental protection programs enacted by the Congress over the period of the last several decades.

No one, especially the members of the National Council of Senior Citizens, wants Federal dollars spent wastefully. But the evidence of wasteful spending for domestic assistance programs thus far depicted by the Administration is spurious in many instances and unconvincing in others.

We are particularly dismayed to have observed the pledge of the President to reform the Federal tax system structures to place a greater burden on those more able to pay, only to see the President's latest tax proposals contain no meaningful provisions for taxing the rich. In addition, the President's property tax reform provisions for home-owning and apartment-dwelling low-income seniors are destructive of the current wave of local government initiatives and make no effort to place a reasonable share of the property tax burden where it belongs—upon the shoulders of the rich.

THE FISCAL SHELL GAME

Older Americans across the length and breadth of this nation have become increasingly disturbed by the efforts of the Administration to convince the public by the use of deception, distortion and outright falsehood that it is dedicated to the welfare of older Americans.

As an example, we cite the repeated allegation by Mr. Nixon's surrogates that Federal budget outlays for the aged are soaring under the Nixon Administration. Attention is repeatedly called to a total of $50 billion for the elderly in fiscal year 1973—and nearly $56 billion for fiscal '74. What is not mentioned is that well over 90 per cent of Federal outlays for the aged are for Social Security, retirement income supplements, and

h alth programs. Further, the Administration has neg.ected to cite that the overwhelming proportion of such outlays represent funds contributed by the seniors themselves during their working years and established in trust funds.

The most flagrant use of the fiscal shell game has been in the use of the Revenue Sharing Act to justify cutbacks in domestic spending. The Preside.: has stated that Federal funds provided to States and communities through this program should be used to take the place of so-called "narrow categorical" programs previously used by the Federal Government to provide services to the nation's needy. In adopting this stance, the President is deceiving the public in two ways.

First, it always was and will continue to be the Constitutional duty of the Federal Government—the Executive and Legislative branches in particular—to be the primary responsible agency for attacking national problems. To simply hand over Federal dollars to the various local governments with a mandate to solve problems as best they can is in direct contradiction to this Constitutional principle.

Further, the Administration has attempted to convince local government officials that the funds from revenue sharing will stretch to cover the vast holes in social program financing—when, in fact, mayors and governors are awakening to the harsh reality that they are now being required to operate previously Federally-financed domestic programs such as senior centers and senior nutrition programs with fewer dollars than they had before. Whenever one of the high Administration officials has gone to Congress to explain the reasoning behind Federal budget cutbacks, he has used, in part, the excuse that "revenue sharing" will take care of the loss. Yet, when all the dollar figures are added together, it becomes clear the Administration excuse is spurious—there aren't enough dollars.

The repeated assertions by the Administration, that the President's program objectives reflect his determination to provide sufficient income to assure that seniors will have enough money to secure needed services for themselves, we find self-deceiving.

The National Council of Senior Citizens heartily agrees that adequate income is the first priority for all older people. But we reject the notion that income alone will insure availability of services. Adequate income for seniors will not solve the transportation problem if vehicles are unavailable at any price. More and more dollars in the pockets of the elderly will not answer the problem of many infirm elderly who are forced into institutions simply because the services necessary to independent living are not available at any price.

HEALTH CARE NEEDS—SECOND ONLY TO INCOME

The most shocking single proposal brought forward by President Nixon so far is his proposed reduction in Medicare benefits. It is inconceivable to members of the National Council of Senior Citizens that President Nixon would, on December 2, 1971, pledge to bend every effort to reduce the out-of-pocket expenses of needy older people for medical treatment under Medicare—as well as eliminate the co-insurance payments required under Medicare Part B (doctor insurance)—and less than 18 months later propose to increase these charges by more than a billion dollars a year out of the already inadequate income of large numbers of older people.

The justification for such a proposal—as enunciated by Secretary of Health, Education, and Welfare Caspar Weinberger reveals a callous lack of regard for these guidelines established by the elderly at the 1971 White House Conference and supposedly supported by the White House. Ignoring the fact that patients—under Medicare, Medicaid or private insurance—can enter hospital only at the direction of a doctor, the Secretary explained that the increases in out-of-pocket payments for hospital care for the elderly were proposed because some hospitals were taking advantage of Medicare provisions to unnecessarily hospitalize some seniors and thus gain more dollars from the government through Medicare repayments. Thus, supposedly in an effort to force hospitals to become more responsible in their admissions policies, the Nixon Administration plans to have the victims of this alleged irresponsibility—the elderly patients—bear the costs.

The fiscal aspects of the proposal are as frightening as the medical features. The changes in Medicare would, according to Administration sources, save about 850 million dollars in fiscal '74. But the payroll tax for the hospital insurance under Medicare (recently increased by 54 per cent) and the premiums for medical insurance (scheduled to go up July 1 to a figure more than double the original amount) are not to be reduced.

So the increased income to the system combined with the reduction in benefits would show a plus item in the President's budget which would, on paper, reduce the deficit created by over spending in other areas. Thus the poor sick elderly, by the two-edged thrust of reduced benefits and increased costs, are asked to make their contribution to a less unbalanced budget!

The Secretary of Health, Education, and Welfare on April 27, 1973 released a report entitled "Toward a New Attitude on Aging: A Report on the Administration's Continuing Response to the Recommendations of the Delegates to the 1971 White House Conference on Aging." As part of this report, the Administration actually had the temerity to mislabel this attempted raid on the pocketbooks of the elderly through Medicare charges as a "Reduction in Income Drains." This has not deceived the members of the National Council of Senior Citizens—and we hope it will fail to deceive both the members of Congress and the general public.

TO THE CONGRESS

We salute and support the actions taken by Congress in recent months to re-establish the delicate balance of controls between the Executive and Legislative branches of government—recently placed in such great peril by the President. We continue to look to this great deliberative body as the best hope for realization of the theme of the 1971 White House Conference on Aging—to establish and maintain such programs as necessary to insure that older Americans may live their retirement years out with dignity and security.

Towards that objective, we present on the following pages an outline of specific goals for programs at both the national and local levels which will, in fact, enhance the dignity of all Americans. We call upon the members of the Congress from both major political parties, and from the many sections of our land, to consider these proposals on their merits. Poverty, health, loneliness and fear know no geographic or political boundaries—neither, then, should the programs designed to fight these evils.

We urge the 93rd Congress not to abandon the trend toward a better life for the elderly established in the decade of the 60s. You have the opportunity—and the duty—to pick up the mantle of leadership toward a better life for all which has been shunned by the nation's President. We urge you to fearlessly put on that mantle.

The goals and specific proposals which follow here are not those which seek to serve only the interests of the elderly. We do not ask for charity. We ask only for the opportunity to continue to contribute as best we can to a nation which we helped to build and defend.

We urge you specifically not to be deceived by false claims and distorted facts. Instead, join us in our effort to establish a society which honors its commitments to all its people—young and old alike. These programs for which we work will help all Americans in their youth and as they come of age.

INCOME

The 20 per cent across-the-board increase in Social Security benefits in 1972 represented a significant milestone in progress toward the goal of an adequate benefit level. Yet the Administration fought this increase tooth and nail, the President reluctantly signing the increase rather than vetoing the debt ceiling measure to which it was attached and which he sorely needed.

This was not the first time that the Congress had to resort to the device of attaching Social Security improvements to other legislation the President wanted. In 1969 and again in 1971, the Congress had used this method to achieve improvements that—although modest—were above the level acceptable to the Administration.

Subsequently, the President has made much of the rise in Social Security benefits that was forced upon him by a Congress that is more responsive to the needs of the elderly population. Repeatedly he has claimed credit for an increase of more than 50 per cent during his first term. And he also uses this increase as justification for cutting back on Medicare and other essential services for older people.

Clearly, the National Council of Senior Citizens' hopes for further progress toward the goal of adequate income in old age depend on the Congress. That we are still far from this goal is obvious.

INCOME ADEQUACY

Every older person should have sufficient income to assure the American standard of living. Achievement of this goal requires a standard no lower than the Bureau of Labor Statistics moderate level—a level which is adequate to maintain health and enable an individual to be self-sufficient. This is the standard of adequacy first proposed by the National Council in the Platform For the Seventies, adopted by the White House Conference and then reaffirmed at the 1972 Convention. In 1973, this modest standard of living would require an income of $5,200 for elderly couples and $2,860 for single persons—amounts beyond the reach of about half of all aged people.

ELIMINATING POVERTY

As an immediate step toward the goal of income adequacy, the Federal Government must provide a guarantee that no one need live in poverty. The new Supplementary Security Income program enacted in 1972 and to be effective January 1, 1974, would for the first time provide a Federal guarantee of a floor of income for all aged, blind and disabled, but it fails to set the floor above the poverty level.

The National Council of Senior Citizens therefore urges that the Congress make appropriate adjustments in the level of payments under the new program and assure that recipients do not lose present protection such as food stamps and Medicaid and do not suffer a loss in payments as a result of cost-of-living increases in Social Security benefits.

ADJUSTING SOCIAL SECURITY BENEFITS

The Social Security Amendments of 1972 include an automatic escalator clause which will raise cash benefits whenever the cost-of-living index increases by more than three per cent during the previous year. However, the law provides that the first automatic cost-of-living increase in benefits is not possible until January 1975. At the rate prices have been soaring, benefits will have been most tragically eroded long before that date (see section on Cost of Living).

The National Council therefore urges the Congress to enact an appropriate cost-of-living increase in Social Security benefits during this session. It urges further that the Congress give due consideration to the recommendation in the NCSC Platform For the Seventies, endorsed by the White House Conference, that benefits be adjusted not only to rising prices but to rising standards of living.

GENERAL REVENUE SHARING IN SOCIAL SECURITY COSTS

As is the case in other industrialized countries, general revenues should help support the costs of this nation's social insurance program because the whole society benefits from this program. The National Council of Senior Citizens has long recommended that Social Security financing include a substantial amount of Federal general revenues to augment employee-employer contributions. This too was a recommendation in which the White House Conference concurred.

Over the long run, it is reasonable to expect the Federal Government to become a financially-equal third party. The Federal general revenues should be used to eliminate the need to increase the payroll tax as a result of expanded protection and benefits and to reduce the heavy burden of the payroll tax on low-income workers.

RETIREMENT TEST

We recognize that the retirement test, which results in a loss of Social Security benefits for those who earn more than the designated amount, sometimes serves as a barrier to seeking employment beyond retirement age. But we also recognize that the test conserves funds for payment to beneficiaries who are unable to supplement low retirement incomes with earnings. Elimination would place unfair higher tax burdens on younger workers for the purposes of paying full retirement benefits to the comparatively few who continue to work at full earnings.

We therefore continue to support the basic principles of the retirement test and urge their continuation. The Congress should, however, periodically review the test for purposes of liberalization—perhaps raising the earnings level or lowering the age at which the test is no longer applicable.

OTHER PUBLIC BENEFITS

The National Council pledges its wholehearted support in efforts to uplift and update the benefits of the Railroad Retirement system and the Federal Civil Service system, and pensions or compensation paid to veterans and their survivors.

PRIVATE PENSIONS

We recommend Congressional action to improve the protection of private pension plans, especially by setting standards in the areas of vesting (guarantee of pension rights), portability (continuance of pension rights upon changing employers), survivors benefits, and by providing a system of Federal reinsurance. In addition, there should be complete disclosure to beneficiaries of eligibility requirements and payment provisions and Federal regulations to assure fiduciary responsibility, including adequate funding.

NCSC urges immediate Congressional action on the Retirement Income Security for Employees Act (S-4), sponsored by Senators Harrison Williams (D., N.J.) and Jacob Javits (R., N.Y.), which represents a significant step forward in this area.

Additional legislation is needed to achieve pension protection for employees of small businesses as well as individual workers and to set up a time-table for pension portability to become compulsory. These steps would constitute the development of a national portable pension system open to any worker as a companion to the Social Security system.

The National Council rejects, however, heavy reliance on voluntary savings—as in the President's proposal—because the wage earners who most need the protection do not have sufficient margin between income and outgo to permit any significant savings for retirement. We further reject the President's proposal for a "Rule of 50" (under which a worker would be assured of receiving at least half his pension upon retirement if the sum of his age and years of coverage equaled 50) because such a provision would make many employers reluctant to hire older workers.

The National Council of Senior Citizens pledges its continued support of Congressional efforts to achieve early and meaningful reform so that retirees of the future can count on private pensions to supplement their Social Security benefits.

EMPLOYMENT . . . RETIREMENT

The President's veto of the 1972 Amendments to the Older Americans Act was a serious blow to improved employment opportunities for older workers. These amendments not only would have provided special projects to delve into employment problems of older people but they would have established two new manpower programs to maximize employment opportunities for middle-aged and older workers.

One of these, included in the new bill signed by the President in May, was the Older American Community Service Employment program to promote useful part-time work opportunities in community service activities for the low-income elderly. This is a national continuing program to build upon the enormously successful pilot projects such as the National Council of Senior Citizens' Senior AIDES program.

The other is the Middle-aged and Older Workers' Training Act to provide comprehensive mid-career development services for unemployed or under-employed mature workers.

When the present session of the Congress opened, Congressional leaders—supported by the National Council of Senior Citizens and other spokesmen for older persons—worked vigorously and successfully to achieve legislation that would be acceptable to the President. Lost in the accommodation was the Middle-aged and Older Workers' Training Act. Deep cuts were made in the authorized funding of the new bill, and the problem of employment is no longer specified as one of the special problems of the elderly to which model projects will be directed.

The National Council of Senior Citizens continues to look to the Congress for legislative action that fully accomplishes its objectives of meaningful employment opportunities, whether full time or part time, for the elderly. This is our position, built upon the promises of the Comprehensive Older Americans Services Amendments of 1973.

FREE CHOICE

Functional ability, not chronological age, should be the test of employability. Every older American should have a choice of continuing to work as long as able or to retire on adequate income with opportunities to pursue worthwhile activities. Achievement of this goal requires that we reverse the trend toward involuntary retirement on permanently reduced income.

MIDDLE-AGED AND OLDER WORKERS' TRAINING

To provide manpower training, counseling and special supportive services to middle-aged and older workers who are unemployed or under-employed, the National Council of Senior Citizens urges that the Mid-Career Development Service Program (eliminated from the Older Americans Act amendments in order to avoid a Presidential veto) be enacted promptly as separate legislation or that the basic thrust of this proposal be incorporated in comprehensive manpower legislation.

PUBLIC SERVICE EMPLOYMENT

We believe that the Federal Government should actively promote—not just underpin—the development of public services that are generally unavailable but urgently needed. Such public service employment provides essential job opportunities for older workers, still plagued by heavy long-term unemployment and inadequate representation in retraining programs.

The President has decided that the problem of unemployment is no longer serious and therefore the Emergency Employment Act can be phased out. The National Council of Senior Citizens is acutely aware of heavy unemployment among older workers and of the large numbers who have become discouraged and dropped out of the labor force, despite the unavailability of a substitute income. Therefore, we urge that the Emergency Employment Act be continued and every effort be made to implement this act in such a way that older people be given a full opportunity to participate.

ASSISTANT SECRETARY OF LABOR

Congress should create the Office of Assistant Secretary of Labor for Older Workers and provide this office with necessary staff and authority to plan, develop, and coordinate Federal manpower and employment programs for the elderly.

LOCAL AND STATE ACTION . . .

Better programs and services for the nation's elderly are the responsibility of State and local as well as national officials. NCSC clubs can provide local leadership to secure action.

The enactment of State legislation is critical at the present time in three areas.

SUPPLEMENTAL ASSISTANCE

Beginning January 1974, the Social Security Administration will administer a new Federal program of assistance to needy aged, blind and disabled persons. The program, enacted in October 1972 as part of the H.R. 1 Social Security Amendments, replaces the current State-Federal adult categories of public assistance.

An excellent model State statute is available to supply the legislative framework to enable States to supplement the Federal payment to seniors under the Supplemental Security Income provisions of the 1972 law. State supplements are especially urgent because the new system in 40 States produces less income for beneficiaries than previously produced by Federal benefits combined with categorical public assistance. In addition, H.R. 1 renders most elderly ineligible for food stamps and curtails eligibility for public housing and Medicaid.

There is probably no more critical issue affecting millions of aged and disabled persons. There is less than six months to protect beneficiaries by the passage of appropriate State legislation.

PROBATE REFORM

No group in America need be more concerned about our archaic, costly and agonizingly lengthy system of inheritance which is regulated by State law than the aged.

Since 1969, the American Bar Association and the National Conference of Commissioners on Uniform State Laws have been promoting adoption of the Uniform Probate Code. It has been enacted in Idaho and Alaska and introduced in several other States.

The Uniform Probate Code, as recently enacted in Idaho, simplifies, hastens and drastically reduces the cost of passing on estates.

The most significant features of the Code are:

(1) A modern substantive and procedural plan for intestate estates that should relieve most persons of the pressure to make wills.

(2) A procedural system that will enable survivors to secure quick marketable title to inherited assets—as early as a week after death.

(3) Relief from most concerns about guardianships made possible via provisions for durable powers of attorney and a modern conservatorship code and clear new provisions validating transfers after death outside of probate via savings and other accounts and contracts.

REVENUE SHARING

Another critical local action, not legislative, is the need to demand a fair share of money under the Revenue Sharing Act of 1972.

Under this Act, nearly $27 billion has been authorized for State and local governments to distribute through June 30, 1976 for eight categories, one of which is the aged.

Funds are available, therefore, but only if there is sufficient political muscle to secure them.

National Council clubs and members should join with other senior citizen organizations and allied forces in presenting the case for the elderly before the proper State and local officials. Otherwise, the needs of older persons may go unmet.

Services that could be funded include transportation, free "dial-a-bus" programs, improved police protection for seniors and better health, recreational and educational services.

HEALTH CARE

In the dozen years since the National Council of Senior Citizens was organized to launch the grass-roots struggle in support of the enactment of Medicare, our organization has never lost sight of the essential importance of adequate protection against health costs in the struggle for economic security.

In developing "A Platform For the Seventies" for the White House Conference on Aging, we said:

"The nation will continue to fall short of a reasonable goal of income security so long as heavy and unpredictable health costs threaten fixed incomes."

And the White House Conference endorsed this philosophy in almost identical language.

To implement this important principle requires the reduction or elimination of heavy and unpredictable costs—that is, costs not covered by insurance, such as co-insurance and deductibles plus billings above the amount allowed by the insurance.

Another important principle guides the National Council's recommendations on health care and the financing of health costs: to the maximum extent possible, older people should participate on equal terms in programs for the total population. We want for our children and grandchildren an improved health care system with protection against the crushing burden of health costs. The extra-heavy burden of health care for long-term illness—especially prevalent among the aged—should be lifted from all, whether old or young.

Only the financial muscle of a single system for the total population can effect reform in the delivery of health care and the control of costs that is so essential. National Health Security assures economic delivery of health services and control of costs by providing health care directly with no waste of health dollars on private insurance carriers as middlemen and by using advance budgeting to assure effective controls on all health costs.

THE NIXON ADMINISTRATION PROPOSAL

The Administration recognizes that the time is ripe for National Health Insurance, but it would merely attempt to patch up the present "non-system" in a half-hearted way. Primary reliance would continue to be placed on the private insurance industry—the shakiest pillar in the whole structure—thus inviting rising fees and increasing the bonanza for the insurance industry.

The President has rejected the principle of a single universal system for all—old and young, rich and poor. Through a means test as well as the criterion of age, the White House proposes various systems which would perpetuate invidious distinctions in health care and which, even in combination, would fall far short of the goal of universal coverage.

Of even more immediate concern, the President would weaken the protection of Medicare, which will continue to be our older population's prime defense against skyrocketing health costs until National Health Security is achieved.

He has proposed cutbacks in Medicare benefits that would more than double the out-of-pocket payments for an average hospital stay and substantially increase the proportion of doctor bills not covered by the program.

In attempting to justify these cutbacks he has said that unnecessary use of services will be deterred if patients are more conscious of costs. But patients are already aware of costs and their responsibility for cost-sharing, since Medicare now leaves uncovered more of the costs of medical care than the average total health bill for an aged person prior to enactment of the Medicare legislation in 1965.

As further justification for the proposed cutbacks in Medicare benefits, the Administration makes much of increases in cash Social Security benefits since the enactment of Medicare (increases that were far beyond the amount the Administration wanted and must therefore be negated through reductions in other benefits).

But of what good is it to provide an individual with several hundred dollars in additional income if, faced with a medical bill well into the thousands, his health insurance is virtually nullified.

We would remind President Nixon that the White House Conference recommended that co-insurance and deductibles under Medicare be eliminated, not further increased to add to the burden carried by the sick individual.

And we will continue to look to the Congress for improvements in Medicare—instead of a weakening of the program—pending the enactment of National Health Security for people of all ages.

NATIONAL HEALTH SECURITY

The National Council of Senior Citizens will lend its wholehearted support to efforts to enact the Kennedy-Griffiths proposal for National Health Security for the total population including the aged. We are committed to this approach as the only effective means of building a health care system that assures all Americans equal access to comprehensive and continuous health services of high quality at economical costs. We are committed to the basic principles embodied in this legislation: no deductibles, co-payments or co-insurance; no billing of the patient; financing through payroll taxes and general revenue rather than through premiums taken out of retirement incomes.

IMPROVING MEDICARE AND MEDICAID

Until a National Health Security system is established, the benefits of Medicare and Medicaid should be expanded to cover prescription drugs; care of the eyes, ears, teeth and feet (including eyeglasses, dentures and hearing aids); long-term care (see also the section on Long-Term Care); and expanded services in the home with other alternatives to institutional care. These benefits should be provided without deductibles, co-payments or co-insurance.

Improvements in Medicare-Medicaid are urgently needed now and cannot await reform of the total health system.

To the extent possible, the remodeling of Medicare and Medicaid should be along lines that—if not actually paving the way for National Health Security—at least assure that we are not taking divergent paths.

The National Council therefore urges serious consideration of its proposal for merging Medicare-Medicaid in a Federally-administered program covering all residents 65 and older, all younger Social Security beneficiaries, as well as all other recipients of the new Federal program of Supplementary Security Income.

Under such a program, doctors and others who provide services would have to agree to accept the program's payment as full payment for a given covered service. Participating physicians who chose to be remunerated on a fee-for-service basis would have their fees predetermined on a negotiated basis. Hospitals and other institutional providers would be paid on a prospectively approved budget basis. Thus, the beneficiaries would be assured that they will not be billed for any covered services; at the same time, cost controls would be built into the system.

In this program—as in National Health Security—incentives would be included for both providers and beneficiaries of comprehensive prepaid group practice (Health Maintenance Organizations), thus emphasizing preventive care and reduction of institutional care.

PRESCRIPTION DRUGS AS THE NO. 1 PRIORITY

Again recognizing that any real reform in our health care program is not likely to be attained without a lengthy struggle, the National Council of Senior Citizens identifies out-of-hospital drug coverage as its number one priority in immediate improvements in Medicare—and here too we rely on the Congress to improve Medicare rather than weaken it as proposed by the Administration. Even a special advisory group named by this Administration—to say nothing of the White House Conference and numerous other spokesmen for the aged—has recommended that the coverage of Medicare be extended to certain prescription drugs that are so essential to the well-being of older people and that now claim such a large portion of the incomes of the afflicted.

During the last Congress, the hope of coverage of out-of-hospital maintenance drugs came close to realization. The National Council will therefore press for enactment at the earliest possible date of legislation that would extend Medicare coverage to essential drugs under reasonable conditions.

LONG-TERM CARE: NURSING HOMES AND ALTERNATIVES TO INSTITUTIONAL CARE

Countless older Americans are living out meaningless days in institutions simply because our nation lacks alternative arrangements for more appropriate care. There is a dearth of protective and supportive services, especially homemaker-home health aide services, that permit the frail older person to live independently at home.

This nation has only begun to recognize the value of neighborhood centers and programs of day care that make it more feasible for three generations to live together. We lack alternatives to expensive nursing homes and mental hospitals for the older person who needs sheltered care.

The need for long-term care arrangements that permit options to institutional care is felt by Americans of all ages, not just the very old and chronically ill. Regardless of age, millions of our citizens are haunted by the fear that they may have to spend their last years in a substandard nursing home or that they may have no alternative but to sentence an aged parent to such an existence.

And the need grows greater as more and more people live to the advanced ages where chronic illness is so prevalent.

To achieve health care appropriate to the needs of the elderly requires more than the

development of broad interrelated programs of health care and social services. Also required is a change in Medicare-Medicaid and other financing arrangements that now put a premium on expensive institutionalization, thus wasting millions of dollars from public funds and the fixed incomes of the elderly. Sound economics, as well as concern for the well-being of the individual, demands immediate action—not just rhetoric.

NURSING HOMES

Until this nation achieves both the policy and the programs that would emphasize alternatives to institutional care, hundreds of thousands of our elderly will necessarily rely on nursing homes for long-term care.

Nearly one million older Americans are now in nursing homes. The typical nursing home patient is age 82, a widow with no family in the immediate area, suffering from one or more physical ailments, and dependent—at least partially—on public assistance. The typical nursing home is a privately owned facility operated for profit, remote from the mainstream of health care and not accountable to the community.

Small wonder then that countless thousands of nursing home patients are now living out their last days under conditions that result in malnutrition, dehydration, oversedation and neglect, if not abject abuse; small wonder that nursing homes have been labeled "warehouses for the dying."

The quality of care in nursing homes continues to be very poor, and the Administration has not been very responsive to the need for change. Pending a broad National Health Security program which incorporates adequate provisions for long-term care in its continuum of health services, we must work to improve the present Medicare and Medicaid programs. Three things are needed to improve care: stronger broad regulations that are diligently enforced; adequate reimbursement rates under Medicaid; and a mechanism to secure patients' rights and permipublic scrutiny of nursing homes.

In dealing with nursing home questions the Administration seems to consider budgetary factors as primary and patient care as secondary. Some progress has been made by the Administration, particularly through its training programs for nursing home inspectors and through its demonstration ombudsman program, but both of these are low cost and do not confront the basic need of providing nursing home patients with good medical care and rehabilitative services and with a living environment conductive to a satisfying life.

Therefore, the fight for better nursing home care—as well as the fight for alternatives to institutional care—must be made through the Congress.

A COORDINATED, COMPREHENSIVE PROGRAM OF LONG-TERM CARE

The National Council of Senior Citizens, as a wholehearted supporter of National Health Security, nevertheless considered the original proposal as introduced in the last Congress deficient with respect to its provisions for long-term care and especially for the personal or social care that can be so much more beneficial than medical care. We are delighted to see that the bill introduced in the 93rd Congress includes a provision for studies to prepare for a long-term care program.

A new section of the National Health Security bill would give the National Health Security Board authority to make grants for pilot projects to test the feasibility of home maintenance care for chronically ill or disabled people. Home maintenance services would include homemaker services, home maintenance, laundry services, meals, on wheels, assistance with transportation and shopping, and such other services as the Board deemed appropriate. If experience under these projects proved that home maintenance services reduced the need for institutional care (hospital, skilled nursing home) and could be administered in such a way as to effectively control inappropriate or unnecessary utilization, the Board would be authorized to recommend expansion of these services to the entire population.

Immediately—without waiting for the enactment of National Health Security—the Congress should call on the Secretary of Health, Education, and Welfare to develop a program of coordinated, continuous, comprehensive health and social services for the aged and other persons suffering from chronic illness, which will include a uniform benefit package guaranteeing the full range of services needed for ambulatory, home, and institutional care.

High priority should be given to the development and financing of the non-medical services that would make it possible for the chronically ill to live independently, thus saving countless dollars now spent on institutional care as well as providing a more satisfying life for the individual.

The Secretary of Health, Education, and Welfare together with the Secretary of Housing and Urban Development should be directed by Congress to conduct a joint study of the extent of the need for appropriate facilities of various kinds required by the program and of equitable means of meeting both capital and operating costs of such additional facilities.

We believe it should be possible for the Secretaries to develop, and transmit to Congress within the next two years, a consistent and coordinated program to meet the long-term care needs of all older Americans.

We believe that legislative proposals to get this program under way should be enacted as quickly as possible. Some work in this area has already been undertaken and further studies can be initiated immediately—without waiting for final enactment of National Health Security. Our hope is that the long-term care program which is developed can be meshed quickly and easily into the National Health Security program.

IMPROVED NURSING HOME CARE

As the National Council of Senior Citizens works toward the development of a national policy and coordinated program of long-term care, it must diligently continue its efforts to effect immediate improvements in nursing home care.

QUALITY OF CARE

We need legislation to assure that patients in nursing homes will receive rehabilitative services, such as physical therapy, speech therapy, etc. Currently, there is no requirement (except for Medicare patients, who can stay in a nursing home for a maximum of 100 days) that nursing home patients receive rehabilitative services, and hence stroke victims and others have no opportunity to regain their lost functions. Some States purport to require therapy but permit therapy to be administered by untrained nursing aides, so that the requirement in practice is false. (On March 5, 1973, HEW proposed regulations for Intermediate Care Facilities (nursing homes for people not needing extensive professional nursing services) that would require that rehabilitative services be offered. However, the proposed regulations did not require the employment of qualified therapists, and there is every indication that HEW will succumb to the opposition of the nursing home industry and to the pressures to hold costs down and delete the requirement for therapy in the final versions of the regulations.)

Federal legislation is needed to require that: (1) every nursing home patient be examined to determine whether he could benefit from therapy; (2) for patients who need therapy, a plan should be written that includes measurable goals to be achieved and the frequency with which therapy should be administered; (3) therapy should be provided by a qualified therapist, or if that is impossible, under the supervision of a qualified therapist, who must see the patient no less than weekly.

In some States and some remote rural areas, there are insufficient therapists to meet the need. In those States and areas, provision should be made through Federal funding for the training of additional therapists.

ANCILLARY SERVICES

Federal law and regulations require that nursing home patients be provided with needed dental and eye care. In most cases, this requirement is not carried out, primarily because there is no provision for reimbursing nursing homes for the cost of transporting patients to the offices of dentists and eye doctors. Therefore, legislation is needed to provide Medicaid reimbursement for transportation expenses in providing eye care, dental care and other ancillary medical services.

We must also oppose the Administration's proposal to remove dental services for adults from the Medicaid program.

MEDICAID REIMBURSEMENT OF NURSING HOMES

The Social Security Amendments of 1972 (P.L. 92-603) contain a provision that in effect prevents States from raising Medicaid reimbursement rates to nursing homes to a level adequate to assure needed services. That provision, Section 225, provides that the average per diem costs for skilled nursing homes and intermediate care facilities which can be counted for Federal financial participation under Medicaid would be limited to 105 per cent of such costs for the same quarter of the preceding year.

Not only does this section prohibit all States from keeping up with inflation, but it also prevents states whose Medicaid reimbursement rates are now too low from raising them to a reasonable level. Senator Strom Thurmond has introduced a bill (S-1624) to provide that the limitation on increases in Medicaid reimbursement rates to nursing homes would not apply to any State whose reimbursement rates were determined on a reasonable cost-related basis. This bill should be supported.

PATIENTS' RIGHTS

Although theoretically, nursing home patients enjoy all of the rights of people living outside of institutions, in practice, because of control by the administrator, the life of many nursing home patients comes to resemble that of a prisoner. Nursing home administrators frequently forbid entry into the home by people working to secure patients' rights, and they often prohibit patients from making even the smallest decisions about their life or care.

What is needed is a Federal law granting access to nursing homes by interested members of the community and a law specifically guaranteeing to a patient such basic rights as the right to be informed of treatment he is receiving; the right to change doctors or refuse treatment; the right to privacy in examination; the right to privacy in his communications with the outside, etc.

The American Medical Association has recently drafted a bill of rights for hospital patients. The Federal Government should assure through legislation that all nursing home patients have comparable rights.

OTHER IMPROVEMENTS

Senator Moss has introduced a number of bills to improve nursing home care. These are S-512, to give grants to nursing schools to develop in-service training programs for nursing home aides; S-764, to give grants to medical schools for courses in geriatrics; S-765, to train veterans who were medics to be long-term care assistants; S-766, to give grants to universities to train physi-

cians' assistants; S-763, to require that the names of all owners of nursing homes be publicly disclosed; and S-513, to provide loans to nursing homes to purchase fire safety equipment. These bills all should be supported.

GENERAL TAX REFORM

In December of 1971, President Nixon told the White House Conference on Aging that he was supporting "a series of tax reform proposals which would enable a single person aged 65 or older to receive up to $5,100 of tax-free income. A married couple, both of whom are 65 or older, would receive over $8,000 in tax-free income."

Contrary to his promise, since the White House Conference not only has the President not reformed the Federal tax code toward this goal—he has adopted a strategy of using the threat of a tax hike as a club to beat to death Federal programs of assistance for all Americans—especially the elderly—which were developed during the decade of the 1960s.

The National Council of Senior Citizens rejects the President's contention that a tax increase will be necessary to fund adequately such programs as the Comprehensive Services Amendments to the Older Americans Act, the Office of Economic Opportunity, or the other domestic assistance programs which the President has proposed destroying in the name of "fiscal responsibility."

FISCAL RESPONSIBILITY

We agree that fiscal responsibility requires additional revenues be brought into the Federal Treasury. This is now necessary due to the massive deficit spending in which this Administration has indulged. However, it has not been the spending for domestic programs that has resulted in a Federal deficit of $74 billion since mid-1969.

Rather, this revenue loss has occurred from two sources: First, the massive cost overruns and wasteful spending in the defense industry—in support of projects favored by the Nixon Administration—has accounted for nearly half that deficit.

Second, the disastrous Tax Reform Act of 1971—endorsed by the President—has created the largest single force for deficit spending.

In 1971, at the insistence of the White House, Congress passed amendments to the Internal Revenue Code which created new loopholes benefiting the wealthy and the large corporations. These amendments created provisions which established the base for the nation's current economic imbalance and placed billions of potential tax dollars, needed to meet the nation's requirements for essential public facilities and services, beyond reach of the Federal Government.

Because of the so-called Tax Reform Act of 1971, corporations have succeeded in reducing their share of the national tax burden from a traditional one-third—as existed through the 1960s—to a present rate of only one-fourth. The tax burden on individuals has correspondingly increased from slightly less than two-thirds to three-fourths of the entire national tax burden.

ADMINISTRATION TAX PROPOSALS

The President's new tax reform plan, submitted to the House Ways and Means Committee on April 30, nowhere attacks the real inequities in the tax system. There is no plan by the President to end the "welfare for the rich" capital gains provision. We reject the President's contentions that a continuation of the oil and chemical depletion allowance is necessary in face of the so-called energy crisis now facing America.

If it were advisable to continue this special tax break as an incentive to oil companies to develop new sources for oil and gas, then why has the current allowance failed to motivate these companies to avoid the energy crisis?

We note with dissatisfaction the absence of any reform in the corporate tax structure. There are no meaningful provisions to insure that American corporations do not continue to find it more profitable to rob American working men and women of their jobs in order to reap tax benefits from goods produced by foreign subsidiaries. There are also no reforms of the tax shelter provided big business through the accelerated depreciation allowance.

Most disturbing, however, is the President's exclusion of any proposal to limit or remove taxes upon the pensions and annuities of the elderly.

In general, the National Council of Senior Citizens views the tax package presented by the Administration as merely an extension of the philosophy of the tax reforms of 1971—reforms which put even larger numbers of the wealthy and the corporations on government subsidy at the expense of the working people and the elderly. We reject its provisions and call for enactment of meaningful tax reform under guidelines listed as follows.

SOME SUGGESTED REFORMS

To reverse the inequitable trend in Federal taxation created by the 1971 Tax Reform Amendments Act, the National Council of Senior Citizens supports the following reforms in the Internal Revenue Code:

Taxes on annuities and/or pensions for men and women ages 65 or over should be abolished, at both the Federal and State levels.

Preferential treatment of corporations and wealthy individuals under the 1971 amendments to the Internal Revenue Code should be revoked.

A tax should be enacted on the excess profits of corporations for as long as wages and salaries are subject to any form of control or restraint. This tax would help rectify the imbalance currently existing in the economic recovery and stabilization programs.

Preferential tax treatment of income derived from so-called "capital gains" transactions should be eliminated. For too long, those wealthy few whose income is derived from investments have been supported by an increasingly large tax burden being placed upon the income of those who are wage earners or salaried employees.

We support a strengthened "minimum" tax on those very large corporations and extremely wealthy individuals who have for so long avoided the payment of any form of income tax.

The National Council of Senior Citizens believes that the nation's retired persons and wage earners have for too long—through unfair tax loopholes—supported a wlefare system for the rich. We therefore commend the House Ways and Means Committee for its investigation into tax reform. We urge this Committee to develop tax reform amendments along the lines recommended by the National Council and that the Congress of the United States adopt such legislation.

Finally, we call upon the President of the United States to abandon his strategy of using the threat of a tax increase to bludgeon to death the hard-won assistance programs for seniors and other Americans. We urge you, Mr. President, to support tax reform in the spirit and the word of the 1971 White House Conference on Aging.

PROPERTY TAX REFORM

The 1972 Constitutional Convention of the National Council of Senior Citizens adopted a strong stand on the need for reform of the local property tax system, based upon the assumption that "older persons should be enabled to live in their own homes as long as they can." There was good reason to hope, at that time, that this goal was shared by the President of the United States.

As a major portion of his address to the White House Conference on Aging, President Nixon told those elderly assembled "the time has come to stop talking about the impact of property taxes on older Americans and to act in their behalf and in behalf of other citizens in similar circumstances."

Specifically, the President pointed to his then proposed—later adopted—Revenue Sharing Act as helping to relieve the pressure of property taxes. But he went even further. "I believe," the President told the Conference, "we have to move on another front, more directly on the problem of property taxes. I am therefore working with our Domestic Council and working specifically with the Secretary of the Treasury in preparing specific proposals to ease the crushing burden of property taxes for older Americans and for all Americans.

Recent months have seen considerable activity around the nation to provide property tax relief for elderly homeowners and renters. Many State, county and municipal governments have enacted or are considering legislation.

The reasons why include the following:

Many elderly homeowners now find themselves financially paralyzed by escalating property taxes.

Since January 1969 property taxes have increased by 36 per cent, nearly twice the rise in the overall cost of living. All in all, they are now at an all-time record high of more than $41 billion.

In many communities throughout our nation, this tax bite has doubled—and in some cases tripled—during the past decade. And older Americans have been harder hit than any other age group in our society because they are living on reduced incomes.

Aged homeowners pay, on the average, about 8.1 per cent of their incomes for real estate taxes. In sharp contrast, the typical urban family of four turns only 3.4 per cent of its family income to the local tax assessor.

A recent study by the Advisory Commission on Intergovernmental Relations shows that aged homeowners living on less than $2,000 a year pay almost 16 per cent of their meager incomes for this regressive tax. Perhaps even more startling, more than 1 out of every 5 elderly homeowners—or approximately 1.3 million aged households—fall within this category.

Low and moderate income renters also feel the squeeze from high property taxes, because the landlord may shift the lion's share of this burden to them.

Assuming that 25 per cent of gross rent constitutes property tax, nearly 70 per cent of all aged renters living on less than $5,000—or more than a million households headed by a person age 65 or older—pay the equivalent of 8.75 per cent or more of their incomes for property tax.

There are basically two systems used in reforming property taxes. The first is the "homestead" tax. It embodies the idea that a certain part of the assessed value of a homeowner's property should be ignored when collecting property taxes. Thus, for instance, a home owned by a senior couple—normally and properly assessed at $30,000—might under the homestead system be valued, for taxing purposes only, at $20,000. This system of property tax reform retains a basic inequity as an integral part of the system.

Since the "homestead" system is usually based upon owners having attained a specified age—or other nonfinancial status to be qualified—the system provides property tax relief not only for the needy elderly but for all elderly persons including those whose income place them in the top earnings brackets. This tends to perpetuate the inequitable concept of the property tax—taxing an individual's shelter at a rate which disregards income.

The other system, adopted by many States,

is termed the "circuit breaker" tax. Under this approach, the value of a piece of property, regardless of its true market value, would be based upon its assessed value less whatever per cent the owner's taxable income falls below established minimum guidelines for income. Thus, for instance, a couple owning a home valued at $30,000, but whose taxable income fell some 50 per cent below the guideline, could have their property assessed, for tax purposes, at only $15,000. Since Social Security benefits and Railroad Retirement income are not currently taxable, this major portion of most elderly people's income would not count at all toward the taxable value of their homes.

The "circuit breaker" formula attempts to reform the entire concept of property taxes, since it bases the tax on residential property upon the income of the owner rather than solely upon the "resale value" of the property itself.

To help local governments recoup revenues lost through property tax reform, some members of Congress are moving to insure that States will receive at least some rebate. The most promising of these proposals has been introduced by Senators Frank Church (D., Idaho) and Warren Magnuson (D., Wash.). The bill would provide that States and local jurisdictions which enact property tax reform for senior citizens who have a low or moderate income have some portion of their resultant revenue loss returned from the general revenues of the U.S. Treasury. However, the Church-Magnuson bill does not provide sufficient safeguards to insure that non-elderly needy will receive property tax relief.

PRESIDENT NIXON'S PLAN

As part of his general tax reform package, the President has proposed legislation to reform the property tax system. This plan, however, does not give the impetus needed to insure that States and local governments will base their reforms upon the concept of need. There is no provision in the President's proposal to insure that those elderly homeowners with the least income are treated any differently from retired professional people who have more than adequate retirement finances and expensive homes. Further, the Administration plan fails to recognize that younger homeowners and renters with low incomes are also in need of property tax reform to enable them to keep their homes.

In addition, there is no realistic provision within the President's proposal to insure that local governments are reimbursed for their lost income. The absence of such provisions mean that long-term property tax reform will remain a dream in light of the fiscal reality of local government.

NCSC PROPOSALS

The National Council of Senior Citizens is not a narrow special-interest group. We recognize that the problem of high property taxes is not confined to those who have attained age 65.

Older persons should be enabled to live in their own homes as long as they can. State and local units of government should be encouraged to continue efforts at property tax reform. The members of the National Council of Senior Citizens approve of and support property tax reform which remits, to all low income individuals, a substantial portion of their property taxes, regardless of age, sex, or race. The National Council of Senior Citizens also supports that form of property tax reform which will remit portions of property taxes to renters and to residents of Federally subsidized housing, as well as homeowners.

In determining income levels for property tax rebate, the National Council of Senior Citizens will support all those measures which disregard income from Social Security, Railroad Retirement, veterans pensions, employee contributory retirement plans or child support programs.

The National Council of Senior Citizens urges Congress to adopt legislation similar to the Church-Magnuson bill, providing Federal funds to compensate local taxing authorities for reduced revenues where taxes on homes or apartments occupied by all low-income individuals and families are reduced.

HOUSING

The history of the Nixon Administration is one of lack of concern for the housing needs of the elderly. When the White House Conference on Aging convened in late November 1971, the delegates found that funds for the Section 202 program were impounded, thus cancelling out a program whose unique characteristics made it especially attractive to non-profit sponsors of elderly housing.

The first and key recommendation on housing of the WHCOA was that "a fixed proportion of all government funds, Federal, State and local—allocated to housing and related services, shall be earmarked for housing for the elderly, with a minimum production of 120,000 units per year."

On January 5, 1973 the Administration, under the claim that housing programs were inefficient and duplicative, slapped a moratorium on all housing and community development programs.

In imposing this moratorium, the Nixon Administration cited no chapter and verse—indicating instead that it is undertaking "a major housing study." The recommendations of this study are not expected until September, if then. Thus, for the better part of a year, planning and action are suspended for public housing, elderly housing, rent supplements and other housing programs.

It is of interest to note that when proven charges of inefficiency and gross cost overrides were made against the Department of Defense and its corporate contractors, no moratorium was proposed on defense expenditures—on the contrary, they were increased by $4 billion.

The moratorium is deadly and devastating. Hundreds of thousands of dollars, if not millions, and months and years of time have been spent by sponsoring organizations and State housing agencies and under the urban renewal programs in planning housing for the elderly. These plans cannot be put on a shelf and pulled down at a future time. Building costs rise, options run out, sponsors disband, houses earmarked for rehabilitation deteriorate beyond repair—chaos results.

ADMINISTRATION RESPONSES

The Housing Panel of the Post Conference Board of the White House Conference on Aging—of which the NCSC's Housing Chairman was an active member—on April 5, 1973, reviewed the responses of the Nixon Administration to the WHCOA recommendation on housing.

The panel found that a number of Administration responses—"were exceedingly distressing. In many instances responsibility was simply passed on to the State and local governments by stating that housing needs of the elderly could, or might, be met with revenue sharing funds, or through the mechanism of a proposed Better Communities Act yet to be submitted to Congress. Both of these responses are dubious and offer no hope of immediate or reliable action."

The panel further reported the Nixon Administration responses to the WHCOA and recommendations on housing were "a major study, now under way," while in other instances—for example, impoundment of funds, expansion of the rent supplement program—there was no response at all.

In mid-March representatives of the principal organizations in the field of aging indicated their serious concern about the impact of the moratorium on housing for the elderly to the Secretary of the Department of Housing and Urban Development.

In April, NCSC's Executive Director William R. Hutton and NCSC's Housing Committee Chairman Abe Isserman testified before the Subcommittee on Housing and Urban Affairs of the Senate Banking, Housing and Urban Affairs Committee as to the dire effect of the moratorium on housing for the elderly. The Chairman of this Senate Committee, Senator John Sparkman (D., Ala.), has decided to conduct his own appraisal of existing programs and present and future needs.

NCSC RECOMMENDATIONS

A minimum annual production of 120,000 units should be made an integral part of a comprehensive national policy for housing for the elderly.

Before the moratorium was applied, the Administration had talked about an annual goal for senior housing at about half the proposed minimum annual production rate of 120,000 units.

The position of Assistant Secretary for Housing for the Elderly should be established at HUD.

A special assistant for housing for the elderly was appointed who does not however have the authority and status of an Assistant Secretary.

The Section 202 Housing Program for the Elderly should be restored with an increased level of funding. (This program has for all practical purposes been abolished.)

Up to 60 per cent of subsidized housing units occupied by the elderly should be eligible for rent supplement.

Funds for this program have been impounded.

Federal funding should be made available to provide trained security personnel at public housing projects.

Federal operating subsidies to local housing authorities that could have been used for guard and other services related to the physical security of residents have been curtailed or denied by the Nixon Administration.

The congregate meals provisions of the 1970 Housing Act should be amended to include funding for the cost of food.

NCSC POLICY ON GOVERNMENT OPERATIONS

Our Constitution clearly intended that the government of the people of the United States was to be shared among the Presidency, the Congress and the courts; and that no branch of government was to usurp the power of the others. The ultimate power, however, rests with us—the citizens of our country, as so eloquently enunciated in Lincoln's Gettysburg address—"a government of, by and for the people."

When, as now, the Presidency threatens to subvert this Constitutional intention, we must urge and support Congress in every effort to assert and maintain its powers to make laws, appropriate monies and maintain oversight over the administration of government programs, and declare as the people's parliament what should be and must be our national priorities in all areas affecting the well-being of our nation.

The members of the National Council of Senior Citizens will continue to support Congress in every appropriate action taken to maintain its Constitutional power to oversee the government, establish priorities and to appropriate funds.

Specifically we support enactment of several specific proposals.

We call upon Congress to immediately pass the Impoundment Control Bill (H.R. 5193) as introduced by Representative George H. Mahon (D., Texas).

Senior citizens, in concurrence with the intent of the Impoundment Control Bill, agree that the President should have limited powers to reserve appropriations in the in-

terest of sound management of public funds. However, there is an urgent need to halt unilateral impoundments.

H.R. 5193 would establish the necessary impoundment controls by providing a standard operating procedure for Congressional review of impoundment actions. Further, it would require action only when Congress disapproves an impoundment; action would not be required for the numerous routine shifts of minor amounts of money.

The Impoundment Control Bill is not a matter of partisan politics, but a matter of democratic principles—and we believe its provisions are reasonable and necessary.

Transportation

Following the problems of income and health care, the greatest concerns of nearly all America's elderly is transportation. The problem of transportation for the elderly is many-sided.

Ever since the 1950s, when the nation made a commitment to develop a system of interstate highways, the Congress has regularly appropriated huge sums of money toward accomplishment of this goal. This fund—generally known as the National Highway Trust Fund—has grown to the point where the dollar figure for highway construction reached $7 billion in the appropriation bill just passed by Congress.

This massive amount of Federal money has attained a certain sacredness about it. Recent attempts in the current funding bill to insure that a mere 10 per cent of the fund could be used to develop mass transit systems met with vociferous opposition and were ultimately defeated.

Although the years have seen the progress of the nation's inter- and intra-state highway system grow to near completion, a coalition of special interests commonly known as the "highway lobby" has so far successfully opposed any attempt to divert some of these highway construction dollars for the purpose of aiding communities in the maintenance or expansion of any mass transit system.

This lack of Federal aid has severely hampered local government initiatives at providing either low-fare or no-fare mass transportation for the needy elderly.

Consequently, in the heart of the most mobile nation on earth, many older Americans—either too infirm or too poor to own and drive an automobile—are isolated from the services intended for them by the Congress. At a time when our nation faces a fuel shortage, and Federally-subsidized highways are now being built literally to nowhere, the continued opposition to mass transit construction is viewed by the National Council of Senior Citizens as foolhardy in the extreme.

Also of concern to the nation's elderly is the unwillingness of the Civil Aeronautics Board and the Interstate Commerce Commission to allow common carriers to establish reduced fares during non-peak periods on interstate planes, buses, and trains. The high cost of coast-to-coast travel is prohibitive to older persons who must use virtually all their income to provide basic necessities.

With funds actually available in the Civil Aeronautics Board budget to subsidize reduced fare senior rates, the opposition of this agency to implement such a plan is even more disturbing.

Another major area of concern is transportation for seniors is private transportation. Many senior citizens are either too infirm to drive or cannot afford to operate automobiles. Yet for many others who are more fortunate, State and local governments—and major insurance companies—have erected barriers to licensing operation of a motor vehicle after an individual reaches a certain arbitrary age.

Although States have theoretically been prohibited from confiscation of an individual's driver's license for reasons of chronological age, the practice is still enforced through various subterfuges. Also of concern is the practice of most insurance companies to either raise premiums enormously or cancel the insurance automatically of all persons who have attained an arbitrarily designated age—regardless of an individual's retention of good driving abilities.

Architectural barriers which prevent those persons confined to wheelchairs from entering many public buildings is yet another area of concern.

A provision of the Vocational Rehabilitation Act—vetoed by the President—would have made it public policy to eliminate such barriers, or at least provide alternate entrances and exits to all public buildings, for the handicapped.

It is of the highest irony that the offices of many Congressmen and Senators, who supposedly represent the handicapped equally with non-handicapped constituents, are inaccessable to many persons in wheelchairs. Further, the U.S. Capitol and even the U.S. Supreme Court building present almost insurmountable barriers to entrance by persons in wheelchairs.

These transportation problems facing the elderly and handicapped Americans have been, for too long, placed at the bottom of the priority list of programs by Federal, State, and local governments.

NCSC recommendations. The National Council of Senior Citizens recommends the following to correct these grievous errors:

Federal, State, and local governments should adopt a policy of improving transportation services for the elderly in both rural and urban areas.

The Highway Trust Fund should be converted into a general transportation fund to be utilized for both highways and mass transit systems. Funding should be made available for the development of new, innovative types of transportation such as personal rapid transit and dial-a-bus as well as the improvement of existing transit services for operating subsidies as well as capital improvement grants.

Financial support should be directed toward providing reduced- or no-fare transit for the elderly, especially at non-peak hours. NCSC supports a measure (S-885) introduced by Senator Philip A. Hart (D., Mich.) to test the feasibility of fare-free mass transportation.

Federal, State, and local government should require coordination of transportation with publicly funded facilities or programs for the elderly, such as housing, health clinics, and senior centers. New programs should require the consideration of transportation availability before final funding authorization. Top priority for Federal mass transportation funds should be given to those systems which provide reduced senior citizens fares and satisfy the special transportation needs of seniors. Also, Federal funds should be appropriated to assist private non-profit and public organizations meet the special needs of the elderly passenger.

The National Council of Senior Citizens supports Congressional efforts to authorize the Civil Aeronautics Board and the Interstate Commerce Commission to establish reduced fares for elderly passengers on trains, buses, and planes, especially on a space-available basis during non-peak periods.

It should be public policy to eliminate all architectural barriers to the mobility of elderly and handicapped persons, especially in public buildings and services. NCSC endorses the concept of the Architectural and Transportation Barriers Compliance Act.

Nationwide standards for licensing automobile drivers on the basis of driving ability and not age are recommended by the National Council of Senior Citizens. Such standards are long overdue because elderly drivers are often discriminated against by State licensing agencies.

The Federal and State Governments should prohibit insurance companies from increasing car insurance premiums or cancelling car insurance policies solely on the basis of the driver's age.

Because drivers, especially elderly drivers, would benefit from a cheaper insurance protection and more simplified and equitable procedures for collecting accident claims, NCSC supports the National No-Fault Motor Vehicle Insurance Act (S-354) introduced by Senator Warren Magnuson (D., Wash.), and H.R. 10 by Rep. John E. Moss (D., Calif.). These bills establish uniform national standards for no-fault auto insurance which would permit unlimited or high medical and rehabilitation compensation, adequate compensation of income loss, and restrictions on lawsuits thereby eliminating costly and unnecessary legal action.

The Cost of Living

Embodied within the specific resolutions of the members of the National Council of Senior Citizens is a common theme. This theme was articulated at the White House Conference on Aging by none other than President Nixon. In his speech to the Conference, the President stated "Any action which enhances the dignity of older Americans enhances the dignity of all Americans, for unless the American dream comes true for our older generation, it cannot be complete for any generation."

Today, the specter of uncontrolled inflation has done more to hamper the quest for that dream than any single strategy or plan of those who oppose progress for older Americans. The rapid, uncontrolled rise in the cost of the basic necessities of life for older Americans has made a mockery of all the legislative intent embodied in the 1972 Amendments to the Social Security Act.

There is no joy for senior citizens in receiving a 20 per cent increase in Social Security benefits—only to see those benefit increases literally consumed in just a few short months in the flames of inflation.

Senior citizens know there is no practical relief offered by the new "escalator clause" in Social Security benefits unless inflation can be brought under reasonable control. Older Americans do not fool themselves into believing that the United States can long hope to reimburse seniors with increases in their Social Security benefits based upon completely uncontrolled increases in the cost of living.

Although the Administration has taken credit for making any further payments under Social Security "inflation proof," such claims are misleading in the extreme.

Since the 20 per cent increase in Social Security, the cost of living has risen out of control to the point where annual projections now put the rate of increase at about 10 per cent.

However, the escalator clause as now written will not take into account cost-of-living hikes during 1973 when determining if benefit increases starting in January 1975 are warranted. Only such increases and resulting inflation during 1974 will be viewed.

The Administration has ignored these facts in its opposition to any significant improvement in the floor of protection afforded by Social Security. Any improvement has been opposed on the grounds that older people have other sources of income—savings, private pensions, etc. However, such sources are particularly vulnerable to loss through inflation and are not automatically adjusted to reflect increases in the cost of living and far too many elderly citizens do not have these sources of additional income.

Multiplying the financial woes for seniors has been the nature of recent cost-of-living increases. The biggest expenses for most sen-

iors—food, health care, and shelter—are the biggest contributors to the current overall rise in prices.

Earnings and rising wage levels are the best hedge against inflation, but only a small proportion of the aged have any significant amount of earned income.

Therefore, while recent jumps in the cost of living have had a deleterious effect on all Americans, the impact has been especially great on the incomes of senior citizens.

The Bureau of Labor Statistics budgets for an elderly couple at both the lower and the intermediate level indicate that about eight out of every ten dollars are allocated to housing, food, transportation and medical care. These are the costs of surviving from day to day. They are not expenditures that can be postponed until "the price is right."

FOOD

The Secretary of Agriculture recently countered complaints about rapid increases in food costs by telling housewives that Americans still spend only about 17 per cent of their income for food. This estimate is patently not valid for the older American. The rapid increase in food costs has raised the percentage of the older person's income devoted to food costs to about 28 per cent. This figure is expected to go still higher.

Yet, just as older people reject the Administration contention that consumers set food cost levels, we also reject the idea that farmers set these prices.

The true villain in recent food price surges is the lack of control over basic food and fiber supply. It is only through the establishment of a system whereby the quantities of food produced can be regulated to insure against vast surpluses and disastrous shortages that American consumers and American agriculture can both survive.

Therefore, the National Council of Senior Citizens supports Congressional efforts to establish a national strategic reserve of basic food stocks—secure from price suppressing dumping yet available in case of shortages caused by blight or drought, etc.

Coupled with establishment of a strategic reserve, the National Council of Senior Citizens calls upon the Congress to amend the Marketing Agreements Act of 1937 to extend marketing order authority to all commodities and to further amend the Act to provide for bargaining between elected producer committees and food "middlemen" to determine adequate prices and production to meet consumer demands.

But stabilization of our nation's agriculture system—with its resulting stabilization of food prices—will not solve the problem of obtaining a balanced diet for many seniors. The Supplemental Security Income (SSI) provisions recently signed by the President will, in many cases actually work against the best interests of some seniors. Since these supplements will still leave many older Americans perilously close to abject poverty, we call upon the Congress to insure that the additional income to seniors at the lowest income levels through SSI will not render them ineligible to obtain food stamps.

The food stamp program—though villified by the Nixon Administration—has proved the key factor to continued existence of many of our nation's poorest elderly individuals. Elimination of the program will undo whatever good might be accomplished by enactment of the Supplemental Security Income provisions.

SHELTER

Aside from specific proposals regarding reform of property taxes (see section on Property Tax Reform), the National Council of Senior Citizens calls upon the Congress to enact legislation insuring that owners of rental property are prohibited from inordinately raising the cost of apartments. The cost of shelter is the biggest item in the budget of the elderly, claiming an average of 34 cents out of every dollar. As long as there exist controls upon the wages and salaries of America's working men, similar controls regulating rent increases should be applied.

COMMUNITY OPERATIONS

A wide range of services to help older people maintain a maximum degree of independent living is essential. While adequate income is a first priority, it is no substitute for programs which provide senior centers, nutrition programs, day care, foster care, homemaker, transportation, educational and legal services. These are the programs that offers an alternative to nursing home care and assure that the latter years shall be years of dignity and security.

Over the past several years, under the Model Cities program, the Economic Opportunity Act, the Older Americans Act, the Nutrition Act, and the Social Services Amendments to the Social Security Act, there has been initiated the beginning of a set of constructive services for older people.

The White House Conference on Aging inspired the hope for the further expansion and development of these services when the Conference essentially endorsed the declaration on services in the National Council of Senior Citizens' "Platform For the Seventies": "A wide and adequate range of facilities and services appropriately designed to meet the needs of older people, through consultation with older people, must be developed and financed."

This hope was given further impetus when President Nixon pledged: "We plan to give special emphasis to services that will help people to live decent and dignified lives in their own homes—these services being home health-care, homemaker and nutrition services, home delivered meals and transportation assistance."

Less than a year later Mr. Nixon revoked the pledge he had so earnestly made.

The President vetoed the Labor-HEW Departments appropriation bill. This bill was to have provided $100 million for a nutrition program for the elderly. To date—more than a year after the Nutrition Act was passed—there is no money available for a meals program.

Then he pocket-vetoed the Older Americans Act Services Amendments, which include a wide range of services designed to aid the older American.

The President sought to soften these blows by arguing that the Revenue Sharing Act, which included services for seniors as one of the eight areas which might be financed out of the Federal funds made available to local communities, would substitute for these cutbacks. To date, however, there is no evidence that seniors have benefited much from revenue sharing funds.

1973 was begun by Mr. Nixon ordering a moratorium on housing and community development, including the Model Cities program.

This moratorium on housing was shortly followed by Mr. Nixon's negative budget in which he proposed to abolish the Community Action Programs of the Office of Economic Opportunity. This spells the end for several hundred senior services programs directed primarily to low-income elderly and operated by the Community Action Agencies.

This was followed by the issuance of a set of regulations that will severely limit the availability of services for the elderly under the Social Services Amendments to the Social Security Act. These regulations completely eliminate as a Federal reimbursable program information and referral services which are designed to help older persons identify and find programs and services that will be helpful to them. Also, these regulations together with the $2.5 billion ceiling placed on services for families, the young and the old by Congress at the Administration's urging have the effect of confining services to welfare receipients only and cutting in half for the current year the estimated $700 million spent on services for the elderly in 1972.

White House interference with the Corporation for Public Broadcasting and the unwillingness of the White House to support a program of long-range finance for public television have seriously limited the capacity for public broadcasting to develop and promote educational programming for the nation's senior citizens.

These actions by Mr. Nixon not only constitute a rejection of his pledge at the White House Conference on Aging but have reversed a slow upward trend in services for the elderly. Despite the passage of the Older Americans Services Amendments, the President's negative budget for the elderly in areas of housing and community development, OEO and social services threatens to put us back to at least the 1970 level of funding.

NCSC RECOMMENDATIONS

Congress must stop the abolition of OEO's Community Action Programs with their Senior Opportunities Services. A Federal court has already ruled that the Acting Director of OEO has acted illegally in abolishing the CAP programs as of June 30, 1973. Now the Congress should insure the future of these programs by refunding them.

The nutrition program which has been delayed for over a year should be funded through securing a supplemental appropriation and not be further delayed by waiting for the regular FY 1974 appropriation.

The National Council of Senior Citizens calls upon the Department of Health, Education, and Welfare to rescind its proposed regulations for social services.

The Administration has made some modifications in the regulations, but these do not significantly lift the serious restrictions placed on services for the elderly. Consequently, the NCSC is prepared to seek Congressional relief through amending the Social Security legislation.

Congress should insure that the Public Broadcasting System be completly removed from political influence and financed on an adequate and long-range basis. Further, the Corporation for Public Broadcasting should devote specific dollar grants to local stations and public interest organizations for the purpose of developing programming related to the needs of older people.

FROM SITTING ON TOP OF THE WORLD TO SITTING IN A WHEELCHAIR

Mr. DOLE. Mr. President, recently an article was brought to my attention concerning an outstanding young woman from my own State of Kansas. This young woman, Miss Linda Light, a former Miss Kansas, who, at the age of 23, was told she had multiple sclerosis. Since contacting this disease Linda has been bravely building a new life.

Multiple sclerosis is a crippling neurological disease. According to the National Health Education Committee, it would be a reasonable estimate to say that 250,000 people are currently suffering from multiple sclerosis. Multiple sclerosis is most often a chronic, progressive, and crippling neurological disease making its initial appearance 70 percent of the time in individuals between the ages of 20 and 40 years. The disease is characterized

by relatively brief periods—usually 4 to 6 weeks—of increasing disability, followed by much longer periods—months to years—of stability of improvement. Its causes remain obscure. The National Multiple Sclerosis Society and National Institute of Neurological Disease and Stroke have set the following basic goals on multiple sclerosis research:

First. To find the factor or factors that may initiate or perpetuate multiple sclerosis disease process;

Second. To find an effective means of arresting multiple sclerosis; and

Third. To find an effective preventative for the disease.

In addition to these basic objectives, it would be extremely valuable for both present research and future therapy to have an accurate laboratory test for multiple sclerosis that would distinguish it from other neurological diseases.

Victims of multiple sclerosis have many adjustments to make. Social aspects and regular day-to-day activities can pose great problems. Rehabilitation of these victims can be depressing and seemingly impossible. But Linda Light had the confidence in herself to build her new life. The strength and dedication it takes to cope with this disease certainly could not be better exemplified than by Miss Light. The following story, "From Sitting on Top of the World To Sitting in a Wheelchair" by Gerald Astor, taken from Today's Health, March 1973, describes the former Miss Kansas who contracted multiple sclerosis after a glamorous career and provides some insight into some of the personal problems of those afflicted by multiple sclerosis.

I ask unanimous consent this article be printed in the RECORD.

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

FROM SITTING ON TOP OF THE WORLD TO SITTING IN A WHEELCHAIR

(By Gerald Astor)

(The story of Linda Light, a former Miss Kansas, who, at 23, was told she had multiple sclerosis and ever since has been bravely building a new life.)

It's a long way from the corn fields of Kansas to the warm waters of Miami, but twice, Linda Light has made the journey. She was only 19 the first time, when she strode across the Convention Hall stage vying for the title of Miss Universe. But the former Miss Kansas, a vivacious blonde with big blue eyes, didn't bring home the trophy until 10 years later. Then, in the fall of 1972, propelling herself in a wheelchair, Linda rolled onstage to accept a graceful silver loving cup. Its rather meaningful inscription: "To Linda Light, Miss Universe of the National Multiple Sclerosis Society in deep appreciation for her courageous contributions . . ."

The award notwithstanding, the glamor days of entering beauty contests and working as an airline stewardess are over for Linda. She spends most of her time in a wheelchair and, at 29, is studying for a college degree so she can make a career as an elementary or pre-school teacher.

Linda is one of an estimated 500,000 Americans known to have multiple sclerosis, a disease of unknown origin that attacks the central nervous system, disrupting or blocking messages from the brain. There is still no cure and no known treatment—only clues, theories, and a new discovery, all of which scientists hope are bringing them closer to unraveling the mystery of this debilitating disease. As happened with Linda, MS usually strikes people between the ages of 20 and 40—the prime years.

But Linda didn't just wake up one morning with all the symptoms. Rather, there was a gradual deterioration, confusing to an energetic young stewardess who, as a teenager, had been able to bounce from a backyard football game into an evening of dancing. Now she seemed to have lost her zip. The trips she loved to plan to New York, San Francisco, and Phoenix; the picnics and swimming outings with her friends—they all seemed too much for her. She was bewildered and worse. Depressed, she'd close herself up in her Kansas City apartment and have the most serious kinds of doubts about her life and career. "At first," Linda says, "I thought it was a temporary thing, something everyone goes through."

Finally, though, she quit her job, hoping her condition would improve; it worsened. Linda began stumbling, bumping into walls. Then she had a series of fainting spells and, with that, went home to consult her doctor in Topeka.

The doctor ordered Linda to the local hospital. She walked in under her own power. A few days later, Linda Light, so recently a picture of the active all-American girl, could not stand unassisted. And for eight months, Linda lay there, the victim of "hysterical paralysis," while doctors tested and probed and puzzled. For as obvious as the ravages of MS so often are, the disease itself is extremely difficult to diagnose. (In fact, there are no specific or unique symptoms limited to MS which positively identify the presence of the disease, explains John F. Kurtzke, M.D., professor of neurology at Georgetown University's School of Medicine.)

There was little physical pain involved. The emotional pain, however, was almost unbearable. "I had no idea what was going on," says Linda now. "No one seemed to know the answer."

The same year, even as Linda was suffering through her ordeal, a special medical committee headed by George Schumacher, M.D., chairman of the division of neurology at the Vermont College of Medicine, was settling on a list of specific criteria for determining the presence of MS. All these symptoms can arise from other maladies, but all are also connected with MS. First of all, there must be some objective nuerological abnormality, such as an abnormal reflex response, present. Then, the problem must exhibit multiplicity since the ravages of MS invariably involve several areas of the central nervous system. Third, the white matter or fiber tract portions of the central nervous system must be involved. Fourth, deterioration must occur over a period of time. Fifth, the initial onset of the symptoms must be between the ages of 10 and 50. Finally, a physician must determine that no other disease but MS can account for the problem. Linda Light, it was discovered, met all six criteria.

Neither Linda nor her parents had ever heard of MS. What they learned was not very promising. Multiple sclerosis damages either the brain or the spinal cord, the chief passageway for messages from the brain. It attacks the axons, fibrous units that relay electrical impulses from the brain to various parts of the body. If the impulses don't get through, the muscles and glands cannot function properly. These messages from the brain move through the core of the axon, which is insulated by a myelin sheathing. When MS hits, it breaks down the myelin, gradually turning it into hardened scare tissue.

At first, the communications simply become weaker as partial interruption of service occurs. Linda's depressions, stumbling, and fainting spells could be attributed to this early stage of MS. But as MS progresses, the pathway along the core becomes blocked by an impenetrable mass of scar tissue. Communications with an area of the body become permanently lost. Although drugs can lessen muscle spasms and physiotherapy can help build muscle strength, nothing can be done to repair the damage once incurred.

"When the doctor told me that I had multiple sclerosis, I didn't know what to do," says Linda. "At first I was just relieved to have an answer. Later, I thought about suicide."

Seeing her now, it's difficult to believe that this beautiful young woman could have considered such an alternative. She smiles and talks so easily—and looks so healthy. But listening to her description of those months in the hospital when she lay there with her legs shriveled, her voice husky and barely audible, unable to walk unassisted and weighing a gaunt 85 pounds, it is easier to understand why.

Once the diagnosis was made, Linda remained in the hospital for seven more months, devoting all her energy to rebuilding her body strength. Weakened by the initial MS attack and the long months in bed, Linda had to retrain her flabby muscles. She spent hours every day in physical therapy learning mobility from a wheelchair, teaching the body that had walked so proudly in the Miss Universe contest to totter along, one step at a time, on crutches.

Slowly her body responded, but, in her darkest moments, Linda seemed to have surrendered. She went home to die. Only no one would let her. Her mother fixed her favorite meals, tempting her to regain at least a few of those precious lost pounds. The counselors from the Kansas State Rehabilitation program badgered her to get involved again, convincing her that she could still lead an active life. For more than a year, they kept after her. Finally the positive pressure reached home and her inner toughness came through.

Linda's first adventure back into the world led straight to the doorstep of the local Veterans Administration hospital, only a few blocks from her parents' home. "I volunteered to work in the ceramics department," Linda says. "I was still weak and could only go in for half days. There wasn't much running around I could do, but I could work with my hands."

That was five years ago. Today, Linda is enjoying one of the remission periods characteristic of the disease. There is no way of knowing how long this will last. It could go on for years, even a lifetime. It could end tomorrow, but it has given her hope for continued improvement.

She carries a full schedule of classes (12 hours a semester) at Kansas State Teachers College in Emporia where she hopes to graduate in June of 1975 with a degree in elementary education. "The only problem I can foresee," she says, "is with my voice. I still can't talk very loudly, and I'll have to find a way to amplify it so I can be heard in a room full of children."

At first, the idea of going back to school seemed absurd. Linda thought she was too weak and too old, although the 29-year-old coed could easily pass for a student several years her junior. But, Linda, who maintains a solid B average, finds herself right at home on the campus. She shares a first-floor dorm room with two other juniors, both younger than she, and does most of her local traveling in a $1,000 motorized wheelchair (which is paid for by the state). Theirs is a typically functional dorm room, but Linda's mark is everywhere: Her metal crutches lean against the wall, a collapsible wheelchair sits folded up in the corner and, instead of the fourth bed that would normally occupy the room, there's a stationary exercise bike that Linda pedals every day until the odometer registers exactly one mile. All these Linda accepts now,

without a second thought. Instead, she draws her guest's attention to the silver MS trophy that sits on her half of the wall shelf and the wall-hanging, a Christmas present from her sister Janet, that reads simply: "God grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference."

It gets a bit tight at times, but Linda has enough room to maneuver about. There's a small refrigerator in the corner, where she keeps skim milk and wheat germ for breakfast, and even a small bathroom with both tub and shower. Last semester, Linda drew the unlucky lot of the trio—early classes. That meant not only getting up first, but having to get dressed in the bathroom where Linda is on her own—a wheelchair doesn't fit very easily. "I just hang on to towel racks a lot," says Linda, who is strong enough now to stand, as long as she has some support.

But Linda, who admits to being somewhat of a perfectionist, is going to try to arrange her class schedule a bit differently this semester. "Putting on makeup in the bathroom is a real hassle," she says. "The lighting is terrible."

Linda has had to learn to accommodate herself to her new situation. Instead of skirts and dresses for daily wear, she chooses slacks and pullover tops and sweaters. She enjoys bright, lively colors—her favorite is orange—but is also partial to blue. "It accents my eyes," she says. And last summer, she unwillingly gave up her long, flowing hair for a short layered cut. Now she occasionally indulges in the luxury of having a friend shampoo and set it. ("It's so easy to take care of now," she explains. "I can't believe all the time I spent before, setting it when it was long—though I do miss it sometimes.")

Usually, however, Linda insists on trying to do everything for herself. Even when it hurts. And she has learned to be resourceful. For two-and-a-half years, the ex-beauty queen laboriously changed the linen on her own bed every week, when the clean sheets arrived from the school linen services. She did it all different ways, pushing the bed away from the wall and sometimes leaning against the head board pulling the sheets down, sometimes on her knees for nearly an hour, slowly crawling around the circumference: once to get the old sheets off, once again to put the clean sheets on. This past Christmas, Linda hit on a new idea—contoured sheets for top and bottom. She'll have to launder them herself—"but I'm sure it's going to be worth it," she says.

Schools like Kansas State Teachers College help people like Linda maintain their independence and train for useful, productive careers. Each of the 120 special students (called rehabs—as opposed to ABs. "Able Bodies."—two terms coined by the student body) is enrolled in a regular academic program and must meet all academic requirements. They are also required to fulfill standard physical education requirements and spend a minimum of two semesters in a special adaptive phys-ed program headed by instructor John Baxter. Baxter, a 33-year-old native of New Mexico, has been implementing his corrective therapy and muscular rehabilitation program at the school for six years.

"A rehabilitation program for handicapped people must involve more than just playing games," he says. "It's important to get them out of the wheelchairs and build their flexibility and endurance."

Baxter, whom Linda describes as a man who is "genuinely concerned," doesn't do it just to build healthy bodies. He believes that for a handicapped person, physical well-being is a crucial ingredient to independence and a sense of personal dignity. To help them keep active in later life, Baxter designs individual exercise programs that the students can continue long after graduation.

Even though she's already fulfilled school requirements, twice a week Linda labors to reach the second floor gymnasium for her 40-minute workouts. Most of the students who use motorized chairs are carried both up and down the stairs before and after class by campus ABs. Baxter, however, insists that Linda walk. Two students accompany her, but she does all the work herself, using the handrail for support. Once in the gym, her program varies: isometrics, weight lifting, leg lifts, leg cross-overs, sit-ups. Linda must do the exercise to keep her body strong but she admits there's another motivation for it—keeping her figure in shape. "I've always been extremely figure-conscious," says Linda. "I guess I still am."

Last summer, Linda started swimming, under Baxter's supervision. "When he told me to jump in the pool, I was scared to death," she says. "It's nine feet deep all around." But she did it and now, every day for the first nine weeks of summer, Linda goes swimming. When her instructor leaves for vacation, the sessions end for the year. Linda, not willing to chance a cold, doesn't swim in the winter.

The young Kansan also imposes her own therapy routine on herself. For one hour a day she works out in the dorm. "Sometimes I'm just too tired to exercise, but make myself do it," she explains. "I want to remain as normal as possible. I have to."

Although the campus is specially designed for the handicapped, and the downtown shopping center of Emporia is only a few blocks away via sidewalks with sloped curbs, life is still full of frustraions. Every time Linda goes through a door (even an extra-wide one) or around a corner, she stands a chance of smashing a finger between the wheelchair and a wall. Then there are the grocery-store shelves and the library shelves that can't be reached from a sitting position. Buildings without elevators are off limits, too, for wheelchair people. Linda once had to forgo observation of a special Head Start program because it was held on the third floor of a building without an elevator—and she couldn't chance going that far on her own. Respiratory problems, too, minor for most people, can be disastrous for MS patients. Twice common colds have led to pneumonia for Linda. And for all its good points, even a motorized wheelchair can't go through snow. All are things that seem unimportant—until one has to cope with them.

Linda came through the last semester with more injuries than a halfback might sustain in a season of ball-carrying. First, there was the broken finger, suffered when she smashed her hand between the wheelchair and a wall. Then, over Thanksgiving holidays. Linda, who was visiting her sister in Cleveland, momentarily forgot herself, stood, up to go to the bathroom and fell—cracking a couple of ribs and fracturing her foot.

The breaks and bruises took their toll on Linda's energy reserve and made a not-so-easy life even more difficult. She found herself unable to keep up with all the accelerated activity of the semester's end, and slowly the room became littered with books, papers, and clothing she didn't have the time, or the energy, to put away. With three people all working to meet the same deadlines, the situation in 103-East became more and more tense. Neither of Linda's roommates knew how to handle the situation.

"Linda is very independent and we thought she might get angry or insulted if we straightened up after her," says Nina Sloan, a 20-year-old from Overland Park, Kansas, who's been Linda's roommate for more than two years. "But we also thought that maybe she wanted us to help, but didn't want to have to ask."

Finally, the girls sat down together and talked things over. Nina's second theory had been correct.

As time goes by, Linda finds it a little easier to accept a helping hand from Nina. The girls do their laundry together and, in the winter, when there's snow on the ground Nina usually pushes Linda to class in the manual chair—but Linda still doesn't like to have to ask. "When I said I wanted her to be my maid of honor next December at my wedding, she refused, saying she'd be too much trouble," says Nina. "But whether she knows it or not—she'll be there."

From the moment she was born. Linda Light was a prime candidate for multiple sclerosis. Research has shown that MS is more prevalent in the higher socio-economic groups; it tends to hit people with higher IQs, greater education, and those in more stressful occupations. It also tends to strike those who have had German measles.

Where you live makes a difference, too. According to Geoffrey Dean, M.D., director of the Medico-Social Research Board of Ireland, and a practicing physician in South Africa, areas 40 degrees north or south of the equator are higher risk areas than those closer to the equator. That makes the top half of the United States a high-risk section, the lower half more moderately threatened. As a Kansas girl, Linda Light grew up on the edge of the high-risk portion of the country. Great Britain, Iceland, Denmark, New Zealand, and parts of Australia all qualify as high-risk. Dr. Dean also notes that when people over the age of 15 migrate from high-risk to low-risk areas, they run the same chance of contracting MS as those who stayed behind. But the children of these newcomers or immigrants under 15 demonstrate a markedly lower rate of MS.

Linda may also have been more vulnerable to the disease because of a hereditary predisposition. Familial incidence of MS averages about 6.5 percent, says Dr. Schumacher. No one in Linda's family has MS, but there have been instances of central nervous system disorders. Perhaps the grimmest genetic identication belongs to Notre Dame football coach, Ara Parseghian, who, by some blow of fate, counts three MS cases in his immediate family. But doctors feel there is no need for a couple to refrain from having children even if there is an instance of MS in the family. In fact, a number of MS women have borne children with no ill effects for either themselves or their offspring.

Good news for Linda, who still retains her all-American-girl looks and still cherishes the traditional American girl's dream of a husband and family.

"I still like to dance, too," says Linda. Sometimes she dances alone in her room, turning the radio to a romantic song. Taking care to lean against the bed frame for support, she'll sway gently to the rhythm of the music. If she's with a date, she leans against him.

When Linda first came to Emporia, one of her old boyfriends from Kansas City used to come out to visit. He's married now and Linda's current escorts are usually students around her own age, both rehabs and ABs. She dates only occasionally, but finds that men tend to be more considerate than before, something she thinks may be attributable to maturity. Nina and her finance often invite Linda out for a night on the town. "But often she doesn't want to come," says Nina, "claiming that she'll just be a nuisance."

Linda enjoys her social life, but doesn't lose sight of her highest priorities—getting her degree and battling against MS. In 1970, she went to Washington to formally appoint Mrs. Nixon as campaign chairman of the MS fund-raising drive, and last fall she participated in the National Multiple Sclerosis Society convention in Miami. Linda also addresses state and local groups and recently traveled to Cleveland for the statewide meeting of the Ohio Jaycees and their announcement that they were adopting MS as their annual project.

These few moments Linda can gather together and generously label "spare time" are often spent in reading books on nutrition and exercise—two areas that are vital to her life. Memories are important, too, for Linda, and she's finally startng now to gather together all the pictures and mementos that will tell the story of her life. She stops for a moment and pulls out the photo of herself taken for the Miss Universe contest. "I was a very self-centered person then. Frivolous, concerned only with myself. It would never have occurred to me to aid old people or the handicapped," she admits. "But my experience with MS has matured me. I want to work with others." And so, twice switching majors, she has decided to become a teacher and, after becoming involved with the campus Handicapped Students Group, is running for vice-president of the organization.

Sure I have my doubts, but I can't afford to dwell on them," she explains. "I read a lot of inspirational literature, like Dr. Norman Vincent Peale, and that helps."

"There are so many people now battling against MS," says Linda, "that I feel we're very close to understanding the cause." She shares her hopes with Sylvia Lawry, founder and executive director of the National Multiple Sclerosis Society, and the thousands of members across the country. Twenty-seven years ago, MS victims and their families had no one to turn to for counsel and aid. Miss Lawry, whose brother was an MS patient, ran a four-line ad in the New York Times asking anyone who had recovered from the disease to contact the listed box number. The mail brought no word of a cure, only hundreds of letters asking for the same answer. The response was so overwhelming that the NMSS was established to promote research and care. Today, there are more than 200 chapters located throughout the country. No one knows better than their members the agony of the quest and the magnitude of the problems.

Since the first written description of multiple sclerosis was recorded nearly 150 years ago by a young Englishman who was keeping a diary of his own symptoms, scientists have searched for the cause of MS. Diet, vitamin deficiencies, soil composition, sunlight or the lack of it were all, at one time or another, thought to be the culprit. The search has so far been fruitless.

Today, however, scientists have reason to believe that multiple sclerosis could be caused by a virus. Researchers in England and Australia have detected suspicious viral bodies in MS patients. And Hilary Koprowski, M.D., director of the Wistar Institute in Philadelphia, recently succeeded in isolating a para-influenza virus that may be involved.

Unfortunately, simply finding a viral agent does not solve the problem. According to Dr. Koprowski, the virus may not actually attack the myelin itself. Instead, he suggests, it may somehow alter the signals that alert the body's defensive forces, the immune system which attacks foreign matter. As a result, the immune system destroys the very territory it is supposed to defend—the myelin sheath.

The geographical distribution studies of MS add support to the viral theory. "There is," points out Dr. Dean, "an interesting parallel between the epidemiology of multiple sclerosis and that of poliomyelitis." Populations with high standards of domestic hygiene also run a greater risk of contracting MS, while those with lower standards of hygiene run a lesser risk, leaving scientists like Dr. Dean to conclude that MS is a virus infection of childhood, one of the little understood "slow" or latent agents that lie dormant for years before attacking the body.

The mystery of multiple sclerosis is still to be unraveled, but at least part of the answer is never to lose hope. As of January 1, 1973, the NMSS has committed four-and-a-half million dollars in research funds to some 71 institutions and scientists throughout the world for work in immunology, virology, biochemistry, epidemiology, and many other scientific fields. This money, which will cover some projects through 1974, comes from private foundations, corporations, and the general public, which contributes the largest share. Last October, the federal government finally added its support to the fight with the establishment of the National Commission on Multiple Sclerosis. According to Sylvia Lawry, this is one step forward in the struggle to "produce the kind of results we've been seeking for so long."

All the triumphs, no matter how seemingly large or small, will lead to the defeat of MS. But even if a cure is found, it will not help Linda Light—and she knows this. Often, like any roommate of long standing, she sits up late talking with her friend Nina, sharing her confidences and disappointments. It is then, in the privacy of the solitary night, that any tears to be cried must surely be cried. It's difficult, says Nina, to fathom the depths of Linda's occasional depressions. "Because," Nina says, "I'm not in the chair."

"But I think her attitudes are changing. I think Linda really wants to start her life all over again."

THE MARYLAND MOTHER OF THE YEAR AWARD

Mr. BEALL. Mr. President, recently Mrs. Esta Hyre Fox, of Lutherville, Md., was named the Maryland Mother of the year. To mark this significant honor, Maryland's poet Laureate, Vincent Godfrey Burns, composed a poem on the occasion, and I ask unanimous consent that it be printed in the RECORD.

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

WHAT DOES IT MEAN TO BE A MOTHER?

(A poem for a wonderful mother, Esta Hyre Fox, Maryland Mother of the Year, May the 2, 1973, by Vincent Godfrey Burns, poet laureate of Maryland)

1

What does it mean to be a mother,
To endure agony to bear a life?
It means to be more than any other
A victor over all pain and strife!

2

How does it feel in that moment of grace?
Will my precious baby be girl or boy?
The time when first she sees her baby's face—
Oh what a moment of wonderful joy!

3

A mother gives of abundant treasures—
As bountiful as her God above—
Placing first all her children's pleasures,
With gentle healing and patient love!

4

Patience and tenderness light all her days—
These are the qualities this sad world needs—
The heart of a mother who kneels and prays,
Asking God's help for unselfish deeds!

5

Sweeter than in the honeycomb,
Or all that grows from the earth and sod,
Like holy Mary, within her womb,
She cradles a blessed child of God!

UTAH'S DIXIE PROJECT GOES LOCAL

Mr. MOSS. Mr. President, I have spoken many times in the Senate about the proposed Dixie reclamation project for Washington County in southern Utah, discussing at length the monumental pioneer efforts dating from 1868 by which local residents had sought to divert and store the waters of the Virgin and Santa Clara Rivers at flood times and put them to beneficial use.

When the Federal project was authorized, in 1964, by a bill which I had introduced, there was great rejoicing. After almost a hundred years of struggle and sweat, it appeared that the Dixie project—so named because the area it would serve once grew cotton, and is known as Utah's Dixie—it would at last become a reality. Construction funds in the amount of $1,500,000 were appropriated in 1965.

But the Dixie project has been beset with one difficulty after another. Three possible reservoir sites on the Virgin River have been investigated by the Bureau of Reclamation, and two of them abandoned, either because of excessive leakage in the highly fractured subsurface formation or because of sedimentation and spillway problems. In 1969, the Dixie project had to be reauthorized, because of accelerating costs.

Finally, in 1972, the Bureau found a satisfactory offstream site in the Warner Valley, and it appeared that the Dixie project, at long last, was fully feasible and could be built.

However, when it came time to negotiate a water repayment contract based on the costs of constructing the dam at the new site, the Washington County Conservancy District advised the Bureau of Reclamation that neither the city of St. George nor the State of Utah would enter into a repayment contract for municipal and industrial water at the prices proposed by the Bureau. The years of effort to build the Federal project collapsed, and the Bureau of Reclamation subsequently closed its St. George Dixie project office.

But though the Federal project appeared dead, the pioneer spirit of the Dixie residents was far from quenched. Now they have come up with a new plan—a non-Federal, revised version of the Dixie project, to be called the Washington County project, and to be built with financial assistance from a power project jointly owned by the Nevada Power Co. and the city of St. George. The Utah State Board of Water Resources has been asked for assistance in implementing this local plan.

The project would be considerably smaller than the Bureau of Reclamation proposal and makes no attempt to "maximize development" of the available water resource, as the Bureau plan did, but only to provide a high degree of utilization of the water available. It would provide firm additional supply of 43,500 acre-feet of water per year at a reasonable cost. It would satisfy present irrigation shortages along the Virgin River estimated at about 8,500 acre-feet per year, provide 10,000 acre-feet of water for power production, and 25,000 acre-feet to meet expanded irrigation, future municipal and industrial uses, and recreation uses, each year.

While I regret that, after so many years of hard work, on the part of so

many people, the Federal project was found too costly, I am delighted that Washington County continues to pursue its long-sought goal. There are some environmental and other problems to be worked out—but I am confident that work them out they will.

I commend my good friends, Wayne Wilson, chairman of the Washington County Water Conservancy District; Rudger McArthur, St. George public works director; and the other water leaders in Washington County for their unquenchable spirit, and I stand ready to help them in any way I can. The fact that Dixie project has not "gone under" but has just "gone local" is one of the best pieces of news I have had in a long time.

I ask unanimous consent that a news story which appeared in the Deseret News of June 5 entitled "New Dam May Control the Virgin River" be printed in the RECORD. It will give my colleagues full information on the brave, new water development plans astir in Washington County, Utah, and demonstrate, far better than I can, the spirit and determination of the people who live there.

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

NEW DAM MAY CONTROL VIRGIN RIVER

(By Rod Decker and Bill Heaton)

ST. GEORGE.—A new coal fired electric power plant may provide the wherewithal to dam and finally control the Virgin River which flows through Utah's Dixie.

"For most of my life I have worked to help develop a way to control and use our maverick run-off water," Wayne Wilson, chairman of Washington County Water Conservatory District said. "I feel we are nearer that goal now than we have ever been."

A river of floods and droughts, the Virgin has co-existed uneasily with men since pioneer times. "The fight against the river was as certain as death," Andrew K. Larsen wrote in "Agricultural Pioneering in the Virgin River Basin."

The original settlers of St. George were not even permanently encamped when the river first flooded them out. Even now, during the wet part of the year, thunder showers carry off the topsoil. Dry washes which cut jaggedly across the landscape fill suddenly with foaming brown water, and farmers watch as the water froths past fields and towns to drain into the Colorado and be lost.

Then, during the torrid summers, crops wither for lack of the water which cannot be stored from the wet seasons.

"We've got plenty of water," Wilson said. "What we need is storage."

When the federal government began financing reclamation projects on western rivers, citizens from Utah's Dixie asked for a dam on the Virgin. For 40 years they coaxed and cajoled. The government named the proposed public works the "Dixie Project", and spent $2.5 million on studies, but it never built a dam.

Wilson and other Dixie water men have now pinned their hopes on a plan involving the Utah State Board of Water Resources, the City of St. George, the Washington County Water Conservancy District and Nevada Power Co.

Engineering studies are in process, government permits have been applied for, financing seems to be available. The largest remaining question is the effect of the project on the environment.

If successful, the plan would meet culinary water needs in Dixie for the next 50 years, Wilson said. It would lengthen the farmers' short growing season and provide revenue from power area for other smaller projects on tributaries to the Virgin. "We'll get just about everything out of this we would have got out of the Dixie Project," he noted.

Although the details have yet to be worked out, the general outlines of the plan are clear.

A dam will be built in Warner Valley about 12 miles southeast of St. George. No water flows year-round through the valley so water from the Virgin will be fed into the reservoir by means of a canal.

The Hurricane Ditch, which has been in service since pioneer times, will be enlarged and lengthened to transport water from the Virgin above LaVerkin to Warner Valley, a distance of about 22 miles.

The dam will be 170 feet high and back up 35,000 to 45,000 acre-feet of water. Together with the canal, it will cost about $13 million, according to current projections.

Near the dam, a 500 megawatt power plant would be built. The plant would use about 10,000 acre-feet of water a year from the reservoir for steam and cooling.

The power company already owns rights to millions of tons of coal near Alton, Kane County. An open pit mine will be built there to extract the coal, which will be crushed, mixed with water to form a "slurry", and pumped through a pipeline about 70 miles to the plant.

Present cost estimates for the plant are $150 million, but John Gibbs, vice president of Nevada Power, says that figure is probably low as power plant construction costs are rising at about six percent per year. The first of two units of the plant is scheduled for completion by the end of 1977, if all goes well.

St. George will receive 125 megawatts from the output of the plant. The rest will be conducted by power line to the Las Vegas area and sold.

The need for power in St. George is more pressing than the need for water, though perhaps of lesser long-term significance. The town's present peak use limit is under 17 megawatts. Population has increased from 10,080 to 12,000 since the 1970 census and future growth seems likely. More power is needed to accommodate newcomers.

Water rights on the Virgin River have been appropriate in trust by the Utah Board of Water Resources. Last March, the board endorsed the concept of the dam and power plant.

"We're really excited about," said Daniel Lawrence, director of the board. The water rights may be assigned to the Washington County Water Conservancy District which would then sell water to the power company.

Still in negotiations between St George, the power company, the water board and the conservancy district is the question of who will pay what to get the project going. Most of the money will be put up by Nevada Power.

St. George and the Water Conservancy District may sell bonds to provide their share of project expenses, said Wilson.

"The Nevada Power people are not hard to deal with," Lawrence reports, and most participants believe the question of money will be satisfactorily resolved.

Less tractable is the problem of environmental effects. Rudger McArthur, St. George public works director, claims the plant will put out less pollution than the city dump now does. Officials of Nevada Power are more cautious.

James H. Zornes, vice president in charge of environmental protection, said the company will aim to build a plant with no visible emissions. He notes that technology in the field of emission control is changing rapidly, and the company is now experimenting with several types of scrubbers which would clean the gasses as they leave the furnace.

Zornes pointed out that emission standards in Clark County, Nevada, where the company now operates a large plant, are stiffer than those near St. George, and he is confident the company can meet Utah's emission standards.

Lloyd Gordon, Cedar City, executive director of citizens Interested in Saving Southern Utah's Environment (ISSUE) said no analysis has yet been made of the coal the plant will burn to see what gasses it will give off. Such analysis is now in process by scientists working for ISSUE as well as by power company experts. Until he see the figures, Gordon says he is suspicious of pollution control claims made on behalf of the plant.

Marga Raskin, Salt Lake City, of the Sierra Club opposes the plant.

"It will use Utah's water, Utah's coal and pollute Utah's air," she notes. "And most of the power will go to Nevada." Together with power plants which have already been constructed in the Southwest, Mrs. Raskin believes the plant may lead to severe deterioration of the air in the region.

NEW U.S. APPROACH TO LATIN AMERICA

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a speech I delivered before the annual meeting of the Council of the Americas.

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

NEW U.S. APPROACH TO LATIN AMERICA

(Speech of Senator JACOB K. JAVITS)

There is a new U.S. interest in Latin American relations as has been signalled by Secretary Rogers' recently concluded trip to Latin America and by the announcement that a visit by President Nixon is in the offing.

These travel plans are significant in that they seem to be accompanied by a shift of U.S. policy towards Latin America from what has been characterized as a low profile policy—approaching a non-policy—to a more active involvement.

In this regard, U.S. policy towards Latin American economic integration is a paramount importance. For those of us who have long favored the economic integration of Latin America and have been concerned about the perhaps excessive recent emphasis in U.S. policy on bilateral relations between the U.S. and individual nation states of Latin America, Secretary Rogers' visit to the headquarters of the Andean Pact on May 16, 1973 must be viewed as an important signal.

During this visit and in addressing the members of the Andean Pact Junta and later in Bogota, Secretary Rogers stated:

". . . our policy is to encourage regional cooperation . . . In some cases, such as the OAS, regional cooperation involves the United States. But we also favor regional cooperation not involving participation by the United States. Thus we welcome growing regional efforts as in the Central American Common Market, the Andean Pact and the Caribbean."

In my opinion this emphasis on regional integration does represent a policy shift. To indicate the progress that has been made in one year, I ask your indulgence as I quote from a speech I made exactly one year earlier than Secretary Rogers' statement and visit. On May 16, 1972 in a speech entitled *The Crises Facing Regional Integration in the Americas*, and after strongly supporting greater emphasis on Latin American integration I stated:

"Over the short term I share the view that Dr. Joseph Grunwald put forward in his perceptive new book, *Latin American Economic Integration and U.S. Policy,* that the United States, because of the Vietnam War and the Congress' attitude towards foreign aid, was in no position to make substantial and definite commitments in support of Latin American integration!"

I then stated

"I would like to add that these factors constraining U.S. policy are not likely to alter significantly over at least the short run. New bi-lateral and multilateral aid programs remain in deep trouble in the Congress, trade preferences remain down the road as long as the present protectionist mood persists and there is an emphasis in the Administration on bi-lateral relations rather than more ambitious integration plans."

Today, in light of the Rogers visit and since generalized trade preferences for the countries of the developing world have been included in the Trade Reform Act of 1973, my May, 1972 remarks may have been too pessimistic. In this regard, I also note that the Group of Twenty is making progress on the monetary front on issues of interest to the developing world and that the concept of an SDR-development assistance "link" has moved further down the road towards world acceptance.

This again represents progress and gives meaning (though not yet fulfillment) to another pledge Secretary Rogers made in Bogota when he said:

"The United States intends to give substantial support to Latin American efforts to assure a decent life to all the citizens of the hemisphere."

In this regard, I believe the Congress will do its part. In the hearings before the House Ways and Means Committee on the Trade Reform Act of 1973, the generalized preference titles have support and have not been the focus of critical attention. With the gifted leadership of Chairman Wilbur Mills, I am optimistic that these provisions will pass the House and thus have a good chance to become law.

I am also encouraged by the very recent initiative of the House Foreign Affairs Committee to re-structure our bi-lateral assistance program towards the end of establishing an Export Development Credit Fund to finance exports of U.S. goods at low interest rates and *easy* repayment terms to the world's economically poorest nations. In addition to this fund, remaining bi-lateral development assistance would be channeled into such areas as food, rural development, population control, and health and education while the multilateral lending institutions would be deemed a proper source for financing major infra-structure projects such as transportation and power.

Now I am not saying that it is certain that this new House Foreign Affairs Committee approach will carry, but I am saying it is a positive and welcome approach which creatively addresses an area which in the recent past has been characterized by a generally negative Congressional reaction.

It is my hope that the Congress soon will also address itself to 19th century anachronisms in our laws as they relate to development assistance. I refer to amendments such as the Hickenlooper amendment to the Foreign Assistance Act and the Gonzales amendment to the bills funding the International Financial institutions. This legislation mandates an aid cutoff of a negative U.S. vote on a loan, in the case of outstanding investment disputes. I suggest that the business community should make key members of the Congress aware that such inflexible and mandating legislation serves neither our broader national interest in terms of our relations with Latin America nor our business interests. Such legislation is a continuing and unnecessary irritant to good bi-lateral relations with nations adversely affected by these laws.

These comments led me into an area that I would like to discuss in slightly greater detail and this concerns the future role of private foreign investment in Latin America. I have little doubt that on all our minds is the recent decision of the Ford Motor Company to give $1 million in goods to worthy Argentine institutions as the result of the extortionist demands of Argentine terrorists after two Ford executives in Argentina were shot.

Clearly this could be the prelude to a new type of international terror by ransom aimed at the international business community.

What often is not recognized is that such terrorist tactics serve poorly those very segments of the society—the economically and socially depressed or oppressed—which have the most to gain from economic stability and economic growth which is threatened by the acts of terrorism.

But let us not underestimate the appeal to the "marginal man" of Latin America of this Ford case.

The Robin Hood legend is a popular legend in our societies—the glamorous bandit who takes from the rich to give to the poor. This helped explain the early success of the Tupamaro movement in Uruguay. But what is overlooked is that such tactics disrupt the economy and such economic disruption helps insure that "marginal men" and their children remain on the margin. Public and private capital is frightened and it moves elsewhere; jobs are not created, production is not increased but reduced, and through this destructive cycle, economic and political havoc is caused.

A key concern in Latin America today is the high rate of unemployment and the possibility that the rapid rate of population increase will continue to outrun the capability of many of the countries of Latin America to provide jobs. In turn, those who cannot find work are on the margin of any society.

To those on the margin, be they in New York City, or in the larger Latin American cities, the law is often viewed as an oppressor and sometimes felt as an oppressor.

I have always viewed one of the functions of the middle class to insure that the law does not become an instrument of oppression. It would be my hope that the growing middle classes in Latin America will be increasingly active in this respect. It should also become the function of the new middle class to create conditions that insure that the marginal men and women of Latin America have a good opportunity for fruitful integration into their respective societies. This is the only effective approach to conditions which breed desperate acts and terrorism. Those who had insured that the Palestinian refugees would never have the chance to leave their camps and integrate into a viable economic and political structure, have had a diabolical understanding of this principle.

But let me turn from this disturbing subject to a foreign investment topic which continues to provide me, and I hope many others, with grounds for hope. I refer to the fine work that the ADELA continues to carry out in Latin America and in this connection note that the ADELA concept is now operative in Asia through the Private Investment Corporation of Asia and in Africa through the SIFIDA.

The judgment of even the most critical of my friends has been that ADELA's contribution to socio-economic progress in Latin America, while hard to measure, has definitely been positive, both by providing funds for projects and by raising the general level of management skills through its consulting as well as its employee training program.

However, let me also say at the outset that I am under no illusions that there is a real difficulty in combining even within a private profit-oriented investor group, the objectives of furthering both socio-economic progress and the profit motive in investing in viable new projects and the expansion of existing enterprises.

Most if not all of the strain between management, shareholders and boards of directors has been caused by the lack of clarity of priority of objectives.

If you look at the lists of directors you will see that they represent investor groups. Even though many of the investors mentally wrote off their investments when made, their representative directors nevertheless continue to press the managements for performance, and the performance most easily measured is the profit performance. Somehow socio-economic justification is not adequate when an investment made by an ADELA type company in a developing area goes sour, nor, indeed, perhaps is there any real socio-economic justification for making bad investments. The balance between these objectives remains the challenge for each of the companies, and perhaps, the time is ripe for further discussion with the shareholder groups and with managements, to clarify policy within the broader context of the need for closing the gap which continues to widen between developing and developed countries, as was done at the time of founding these institutions.

These problems of priorities, of course, are not unique to ADELA. They are found in all international private investment concerns.

I ask the business leaders present at this meeting to give their serious consideration to this question of the balance of objectives.

In this connection, the international business community also should be reminded that in addition to highly important trade and tax proposals now being considered by the Ways and Means Committee, the House Foreign Affairs Committee and the Senate Foreign Relations Committee are reviewing the programs and mandate of the Overseas Private Investment Corporation in the context of their legislative review of the new Foreign Assistance authorization bill. Also, that the multi-national corporation and its operations is itself under intensive review in the tax writing committees of the Congress and by a special Senate subcommittee.

My question is whether in view of the current trend of thinking in our country and the substantial discussion of the role of multi-national corporations in economic and political development, the time has not come to convene an international conference of ADELA shareholders, very much like the one in Paris in January, 1962 which resulted in the organization of ADELA as a business concern, to discuss the emerging problems and to determine whether in the light of changed world conditions the original objectives should be re-affirmed or changed?

I would very much like to hear from you on this suggestion.

DEMOCRACY AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, would the ratification of the Genocide Convention mean the end of democracy in the United States? Foolish as this question seems, some of those who oppose the Genocide Convention do so because they believe ratification would cause the American people to lose rights guaranteed them under the Constitution.

To decide if there is any basis for this fear, consider the other nations which are democracies and which have ratified the Genocide Convention.

Both the United Kingdom and Canada have ratified the convention. Citizens of these nations have rights very similar to those granted to citizens of the United States. Both Canada and the United Kingdom guarantee freedom of speech, press, religion, assembly, and the right to a fair trial by an impartial jury.

Canada has been a party to the Genocide Convention since 1952. England ratified in 1970. No Canadian or British citizen has been extradited for genocide. No Canadian or British citizen has had his freedom of speech abridged because of this convention. No Canadian or British citizen has been denied his right to a fair trial because his country ratified the Genocide Convention.

The convention has not threatened or reduced the democratic system of government in these countries. It is reasonable to believe that it will not do so in the United States. Rather, the Genocide Convention will protect the people of Canada, the United Kingdom, and the United States from the prospect of mass murder. Instead of denying freedom, it will increase freedom by helping to protect the greatest freedom of all—the freedom to live.

Mr. President, I call upon the Senate to ratify the Genocide Convention without delay.

THE U.S. PRESENCE IN THAILAND

Mr. MATHIAS. Mr. President, the former Minister to Thailand, Thanat Khoman, who negotiated the original U.S. base agreements there, has written an important article which appears in the editorial pages of the June 7, 1973, New York Times. Thanat Khoman represents a significant opinion in Thailand and his views deserve the respect and consideration of the U.S. Government and all those involved in the Southeast Asia conflict. According to Thanat Khoman, the United States has violated the cease-fire agreements and international law. He argues that from a practical standpoint the bombing has failed because "manmade weapons alone are insufficient to decide the outcome of a war in which human beings play a major part."

Thanat Khoman's conclusion deserves the closest study and consideration by the Congress and the administration:

In my opinion, now is the time for both the United States and Thailand to cast off the cold war shackles and look ahead into the new world of coexistence and peaceful cooperation. Indeed, our two countries have much worthier objectives to work for than just one using the other as a launching pad for dropping bombs or recruiting "mercenaries" for fighting proxy wars. That is why the American Congress, thinking as many of us do in Thailand, adopted resolutions unmistakably expressing views and aspirations which are fortunately shared by a large number of the Thai people.

Because of the importance of this article I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

INDOCHINA: THE MORAL DIFFICULTIES

(By Thanat Khoman)

BANGKOK, THAILAND.—While Europe basks in the sun of détente and, in the United States, people breathe more easily after the rapprochement with the People's Republic of China and improved Soviet relations—developments which led to the halt of hostilities in Vietnam—Thailand still remains bogged down, neck-deep, in the cold war quagmire because of a massive American military presence and unwarranted use of Thai territory for war operations in Indochina.

Why? Despite the cease-fire in Vietnam and the return of the American prisoners of war, the United States claims that its continued military presence in Thailand and air attacks launched from Thai territory are necessary to ensure strict observance of the cease-fire agreements. This explanation is likewise dutifully echoed by Thai official circles. The question is whether this contention is admissible on legal, moral and practical grounds.

Under the cease-fire agreements, it behooves the signatories, including the United States, to use the peace-keeping machinery, notably the International Commission for Control and Supervision. Or, violations may be referred to a reconvened peace conference.

By any legal standard, cease-fire violations cannot justify, still less exonerate, international law violations. These have been caused by aerial bombings originating from Thailand by American forces. This matter becomes even more serious for my country since it was not party either to the cease-fire agreements or the Paris conference. The fact that the United States armed forces have been admitted by the Thai authorities on a verbal basis, without written official agreements specifying the purposes, duration and other conditions of their stay, does not entitle them to commit acts of war against third parties with which Thailand is not in conflict. By so doing, they implicate the host country in a de facto state of war without its consent or approval.

Legally, therefore, the United States authorities will probably have to face responsibility for multiple violations, first, against the agreements they have voluntarily signed and, second, for perpetrating acts of war from a neutral state without its approval.

Morally, it is difficult to find valid explanations. American prisoners of war have been safely repatriated. By signing the cease-fire and withdrawing its troops, the United States explicitly recognized the end of its military role in Vietnam and Indochina. This would conform to the policy of disengagement enunciated at Guam. Now the United States can hardly invoke the right of self-defense. No American nationals are in danger. How, then, can the United States justify its current actions, particularly in Cambodia? Nowhere does the American Constitution provide that the United States is duty-bound to ensure the survival or maintenance in power of generals and marshals in various parts of the world. Obviously, the moral basis is sadly lacking.

From the practical standpoint, long years of intensive employment of air power, exceeding even the tonnage of World War II, should clearly indicate that man-made weapons alone are insufficient to decide the outcome of a war in which human beings play a major part. Instead of continuing bombing, the United States could more usefully provide assistance to those willing to fight for their survival and independence. If people lack that will, no amount of bombs can save them. In Cambodia, despite sustained bombings, Communist forces are ever closer to their objectives.

As for Thailand, it stands to gain little, if anything, politically, economically or in security. Serving as a launching pad for air war casts a distinct opprobrium on the entire nation. Financially, the figure of $200 million cited without details as American annual military expenditures here is doubtful, to say the least. Anyhow, there are better ways to earn a living than depending on foreign soldiers' spending which brings a sequel of social ills, moral deterioration and economic disturbances.

From the security standpoint, since United States forces play no role in our insurgency problem, they do not enhance our security. On the contrary, their threatening presence and air operations call for reprisals and counterattacks that endanger our well-being. In fact, by embroiling relations with our neighbors, Thailand's position is unfavorably affected without effective help from allies, since existing treaty obligations provide only for "consultation" which may or may not lead to any concrete action. Concerning regional security, if any other country feels that its security is served by having foreign forces stationed on its territory, Thailand should promptly concede the honor.

In my opinion, now is the time for both the United States and Thailand to cast off the cold war shackles and look ahead into the new world of coexistence and peaceful cooperation. Indeed, our two countries have much worthier objectives to work for than just one using the other as a launching pad for dropping bombs or recruiting "mercenaries" for fighting proxy wars. That is why the American Congress, thinking as many of us do in Thailand, adopted resolutions unmistakably expressing views and aspirations which are fortunately shared by a large number of the Thai people.

ALCOHOLISM AND BEHAVIOR

Mr. MOSS. Mr. President, an awareness of a few of the unique problems that alcoholics face is known by all Americans. But in our alcohol-oriented society many well-meaning individuals refuse to see the full impact and scope of the problem. Refusals to accept alcoholism as an illness are common. To many, the alcoholic is an individual to be forgotten. When he is remembered it is with ridicule and derision. The heartache, tragedy, and expense as a result of alcohol abuse is to many just another statistic.

On May 10, Dr. Steven J. Wolin, assistant clinical professor of medicine and psychiatry at George Washington University; and Dr. Peter Steinglass, head of the clinical program, Laboratory of Alcohol Research, National Institute on Alcohol Abuse and Alcoholism, presented an interesting and informative paper entitled "Interactional Behavior in an Alcoholic Community" at the annual meeting of the American Psychiatric Association. The paper was the result of many interviews by the authors taken over a period of several weeks in 1972 with alcoholics, law enforcement officials, alcoholic treatment center workers, and social welfare workers. The purpose of the paper was to demonstrate some aspects of the "deviant social community" of the alcoholic as he attempts to "preserve" his community, and the "distinct relationship" of the alcoholic community "with the greater conforming community."

Although the study was done in Alexandria, Va., the situation examined is not atypical. Most urban communities have similar "skid row" districts that include a rather significant alcoholic population. The study gives insight into what

a "typical" day on "skid row" is like. The concomitant human and physical waste that results from alcoholism is evident.

Mr. President, I ask unanimous consent that excerpts from the insightful study by Dr. Wolin and Dr. Steinglass be printed in the RECORD.

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

INTERACTIONAL BEHAVIOR IN AN ALCOHOLIC COMMUNITY

(By Dr. Steven J. Wolin and Dr. Peter Steinglass)

A TYPICAL DAY ON SKID ROW

For the alcoholic resident of skid row, the typical day begins between 6 and 7 a.m., when he wakes up to find yesterday's alcohol supply exhausted and his body experiencing the onset of withdrawal symptoms. Despite the repetitious occurrence of this experience, he has once again failed to keep a reserve supply of alcohol to ward off the increasing tremulousness, anxiety and weakness which is rapidly besetting him. All thoughts, therefore, turn to the earliest possible acquisition of the deterrent supply of alcohol.

Since he is often penniless, the addict will awaken from the jalopy lot or the cemetery or his boarding house room or the bedroom in a family apartment and will head for the primary street for some early morning panhandling.

At 7 a.m., the manager of the local grocery store will arrive to open his shop and will invariably be greeted by a group of men standing on the corner in front of his store, to buy the 7 percent wine that the grocery store can legally sell; and although the store will not officially open until 8 a.m., the managers will sell the men some wine earlier than that for some extra consideration or because he also is an alcoholic and understands their plight. With their initial thirst now quenched, our men will spread out . . . to do more serious panhandling. Some of the men might go down to the waterfront or the local labor-pool office where they can receive part-time employment.

By 10 a.m., small groups of 3 to 5 men have begun to congregate on the corner near the state liquor store. These groups, which will form and then break up numerous times during the course of the day, provide a major source of social interaction for members of the skid-row community. Although the composition of such a group is constantly changing, the format governing its formation, its operation, and its dissolution appears to be remarkably reproducible:

After an initial period of conversation, during which time each member of the group identifies himself and justifies his inclusion in the group, money is pooled for the purchase of a bottle of liquor or wine. Each member's contribution to the pool depends upon his financial resources at the time and seems to bear no resemblance to the amount of alcohol he will drink from the group bottle after it has been purchased. Following the collection of money, one man is entrusted with the position of "runner". He will now make his way into the state liquor store and purchase the bottle. When the purchase has been made, the runner returns to the group with the bottle of liquor or wine wrapped in a brown paper bag, which he has stuck into his overcoat pocket. The bottle is turned over to the group which then proceeds with the ritual of consuming the alcohol. Consumption may take place at the same street corner where they have been congregating, or they may retire to a place like the jalopy lot. Shortly after the alcohol has been drunk, the group splits up with each individual going off to obtain more money via panhandling or to his family.

Although individual alcoholic persons will also purchase individual supplies which they can consume by themselves either in their rooms or on the streets, the "bottle gang" remains the major source of social interaction for these men.

As the day progresses, this cycle of building up resources, forming the bottle gang, purchasing and consuming alcohol and breaking up to earn more money occurs repeatedly. Although disruptions occur which break up the routine, such as an intrusion by a representative of the non-alcoholic society (the police), or a need to satisfy a basic necessity of life such as shopping, food, etc., the basic repetitious pattern remains remarkably the same. Levels of intoxication may fluctuate from day to day and individual drinking patterns may vary within the group, but the basic interactional behavior seems unchanged. Because this interactional behavior is geared so much towards the acquisition and consumption of alcohol, a remarkable degree of stability is created within the skid row community. The cast of characters change, the individual lives are chaotic; yet, the basic form and structure of the interactional behavior, on the level of the bottle gang, looks remarkably stable from day to day.

The State Liquor Store, as the local representative of the government, and, consequently, of the society as a whole, plays a crucial and interesting role in this story. As is true of many governmental agencies, its cold, impersonal glass window is unadorned except for its seal and registry number. Its employees resemble state troopers, wearing a uniform, badge and often sunglasses. Racks of bottles line the rear half of the store and are separated from the patrons by a solid, long counter which also prevents the staff from mingling with customers or from observing any events outside their shop window. This fact is crucial. Since a sign over the head of the salesman indicates that the local law is quite explicit, no one who appears intoxicated shall be sold alcoholic beverages.

This physical setting sets the tone for the rest of skid row. To purchase alcohol, not only must the addict panhandle, but he must also corral someone to buy the bottle for him. Fortunately, he can remain on this corner all day, since no one inside the store can see him and he is usually ignored by the police. Similarly, the store itself, knowing its clientele, makes little pretense of its intention to supply alcohol to the local addicted population. It carries cheap wines and whiskeys almost exclusively and remains uncommercial and uninviting. So the day proceeds with behavior almost entirely geared toward the acquisition and consumption of alcohol. The daily routine is simple, routinized and rigid. Available options for behavior seem minimal. Human life has been reduced to a remarkably low level of complexity. For the individual living in this society, decisions are easy because the course of action is to such a great extent predetermined by the requirements attendant to purchasing alcohol and the rules for how one must consume it.

Alcohol as an organizer of object relations

Off the central corner, in the alleyways, unkept lots and deserted parking areas of the skid row neighborhood, most of our subjects congregate for the business at hand, group consumption of alcohol. The men, sitting together in a jalopy which looks almost as disabled as they do, are excessively polite, even formal with each other. Most have some significant physical illness related to chronic alcoholism, such as gastritis, peripheral neuropathy, hepatic failure or an organic brain syndrome, or suffer the indirect effects of their chronic inebriation, such as the pains and cuts resulting from being nightly assaulted on the street. Nevertheless, while sharing their alcohol, they talk little to each other and complain less. One man's withdrawal tremulousness, because he was unable to keep the alcohol down, becomes indistinguishable from a second man's frostbite, a third's ataxia and a fourth's shaking depression. No one appears scape-goated and the bottle is offered freely and equally to all. They look as if they have been doing this for years together, with little group upheaval and little differentiation from man to man.

The group we studied appeared united in their complaints against the rest of society. They charged the police with harassment and lack of understanding for their problems; they blamed the black population for "ruining" their once safe and clean neighborhood; they saw the alcohol rehabilitation center as alien territory, not as a liaison for treatment. Thus, most of all, they understood their common fate as occupying the lowest rung on the social ladder.

Alcohol serves as the anesthetic and filmy substance that successfully obliterates the differences between one man and another; and allows these men, so different as individuals, to function as a stable organization.

Men who apparently wouldn't consider coexisting with each other within the framework of a traditional relationship, accept each other easily when the framework is that of the acquisition and consumption of alcohol.

It is easy to see that anyone can plug into this system as long as he follows the simple and clearly defined rules and is willing to relate through alcohol. Some men apparently use the skid-row community as a full-time environment, others float in and out for a two-week binge or on weekends only. But two men might have been drinking together for 10 years in this setting, yet respond, when questioned, that they know nothing more about the other man than his name and how he is handling his current drinking spree.

This pocket of deviancy within the larger community is maintained not only by its inhabitants, but also by the entire society, as represented by the State Liquor Store and the police. The labelling of these acts as deviant depends upon the perspective through which it is viewed and the feedback of other performers involved in the interactional system.

SPENDING, INFLATION, AND PRIORITIES

Mr. BROCK. Mr. President, a few days ago the chief executive officer of the Chamber of Commerce of the United States, Arch Booth, addressed the Executives Club of Chicago.

Speaking as the "Voice of American Business," Mr. Booth stressed in his remarks this point: "Take Your Choice. Control Spending or Raise Taxes."

He endorsed on behalf of businessmen—and all citizens—legislation introduced by myself in the Senate and many of my fellow Congressmen in the House, including Representative ROBIN BEARD, of Tennessee, KENNETH ROBINSON of Virginia, and CHARLES BENNETT, of Florida. The reforms proposed by our measure are long overdue and will go a long way to restoring congressional control over spending, waging the battle against inflation, and meeting national priorities in an orderly fashion.

I ask unanimous consent that the text of the speech be printed in the RECORD.

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

TAKE YOUR CHOICE

(By Arch Booth)

I want to talk with you today about a great opportunity that is within the reach of the people of this great country.

And a choice.

The opportunity I want to discuss is the program for a New Federalism offered by President Nixon to rebuild, modernize and bring under more effective management our creaking government system.

The choice is whether we are going to capitalize on the first big chance that people—and that means us—have had in many decades to make some real improvements in our government—or whether we will go on to tolerating a government structure that just grows and grows, costs more and more, yet delivers less and less.

As I have said, we have a great opportunity—an opportunity we may not have again for many years. And this brings up Watergate. Watergate, as we can see almost every day, is taking its toll in human terms. This is tragic.

Watergate is slowing down the wheels of government, at least for the present. No doubt it is also generating new inspiration and hopes among those in Congress who don't go along with the President's programs.

This, too, would be tragic—if the Watergate scandals turn the tide against the New Federalism and many other good programs which the President has planned, and obscure the many good things he has achieved.

THE NEW FEDERALISM

Just what is this New Federalism? What are we talking about?

The New Federalism represents the first serious attempt in many decades to revamp the institutions and mechanisms that make up our political system. This includes bringing government spending under effective control, achieving better management of government operations, getting better balance between the federal, state and local levels of government and, most important, improving the delivery of services to the people, at less cost.

The National Chamber recently released an ad which we hope will be seen in parts of the country.

The headline says: "Take Your Choice. Control Spending or Raise Taxes."

Federal spending was the subject of that ad. It was designed to support the President in his "Battle of the Budget."

But the headline is prophetic. Americans face some important choices in many areas of economic and political policy today. They are all by no means as limited and clear-cut as the one between federal budget control and higher taxes, although that, too, is involved.

What are these choices?

First, we must review the problems we face and choose the level of government best equipped to deal with each of them.

Second, we must choose between an economy regulated by the marketplace and one run by a staff of central economic planners.

Third, we must decide the proper division of resources between the public and the private sectors of our economy.

These questions are not new. And that is itself a problem. They have been around for so long now that they are a part of the background, unnoticed.

But if the questions are old, the conditions that confront us today are not. Our society, our economy and the world have changed dramatically.

Have we made an effort to adapt? Have we changed our institutions to reflect the new shape of reality? Have we even examined—seriously examined—the need for such change?

No. The present course of our ship of state was set 40 years ago.

We know where we have been since then. Do we know where we are going? Are there icebergs ahead? Is there a more favorable route? Should we switch to smaller boats? Are we burning too much fuel? Does the machinery need an overhaul?

OUTMODED ASSUMPTIONS

For 40 years, our course has been guided by three assumptions:

That all social problems are susceptible of quick solution, given sufficient resources;

That in resolving social problems, the public sector is superior to the private sector; and,

That action by the Federal Government is more effective than action at the state or local level.

Those assumptions were discredited in the flames, failures and fragmentation of the late 1960s. Even so, by and large, we still operate under them. And it's understandable. Politicians, administrators and voters cannot be blamed for clinging to the flawed but familiar in the absence of appealing alternatives. Then too, there is great inertia to overcome in anything as massive as this society.

President Nixon is trying to slow the growth of the federal establishment, to increase the relative power and responsibility of the other levels of government.

Notice that I said "slow the growth," not "cut." In all the fuss and feathers over what the President is doing, one simple fact is universally ignored: The Administration's budget for next year is 9% bigger—*bigger*, not smaller—than what he proposed a year ago.

Ten years ago, there were 160 individual federal grant programs. Now, there are over 1,000. The President has proposed reducing, reorganizing or eliminating only 113 programs. And in many cases, the objective of these programs will continue to be served in another way, such as through revenue sharing. So even the terminations do not necessarily spell the end of a particular category of aid.

Roy Ash, the new director of the Office of Management and Budget, offers some dramatic evidence on this point: Even with the so-called cuts, President Nixon is still budgeting 66% more to help the poor than did President Johnson, 67% more to help the sick, 71% more to help the aging, and over 130% more to help the hungry and undernourished.

So let's keep things in some kind of perspective. The infamous budget "slashes" are in fact scarcely visible scratches on the surface. The question could very well be asked, "Have we cut enough?"

Let's look at the growth of the federal budget. Since 1954, federal spending has increased 280%. In the past 10 years it has more than doubled, from $111 billion to $250 billion. And the President is asking for $19 billion more—or $269 billion—for the coming fiscal year.

State and local government expenditures have also ballooned from $30 billion to about $200 billion since 1954.

Today, over 40% of the income dollar is spent by government, compared with 31% 20 years ago.

There is one government employee for every four in private industry.

Recent figures show that we are paying more for government than we pay for food, clothing, shelter and automobiles.

Another interesting fact, when you consider the great public concern over inflation, is that the cost of government during the inflationary period that began in the mid-60's has risen faster than the cost of living.

People demand more service from their governments. They don't want cuts in existing programs. But, people are fed up with higher taxes, fed up with deficits, fed up with inflation.

MORE GOVERNMENT FOR LESS

What do we do? Well, what does any businessman do when he wants to expand but can't borrow and can't raise prices?

He looks for ways to become more efficient, to increase productivity.

And that's just what we have to do in government.

There's plenty of opportunity. Take the Federal Government. For 40 years it "just growed." Pieces were added here and there—for transitory reasons. They stuck.

Representative Roth of Delaware made a study of federal assistance programs a few years ago.

He found that no one, anywhere, knows exactly how many programs there are.

There is no central, comprehensive repository of information on all programs.

Members of Congress do not have enough meaningful information.

The executive branch does not have enough meaningful information.

Potential beneficiaries have virtually no hope of finding out about all programs for which they qualify.

And sometimes as many as 10 Cabinet-level departments and 15 or more agencies have programs devoted to the same area of activity.

That was in 1968. Representative Roth is now Senator Roth, but the organization of the Federal Government is largely unchanged.

There is an anecdote about Edison . . .

You know, the first man to use an anecdote is original, the second is a plagiarist, the third is drawing from a common stock, and the fourth is engaged in research . . .

Anyway, it seems that Edison tried 50,000 different combinations before he came up with a successful new storage battery.

Somebody asked him if that wasn't a big waste of time. "Nonsense," he said, "I now know 50,000 things that don't work."

Well, that's pretty much the national government's method of testing programs. There is really no accurate mechanism for measuring the effectiveness of a program. Or for comparing one method to another. Or for avoiding duplication.

REORGANIZE EXECUTIVE BRANCH

To end this confusion, President Nixon has proposed major changes in the executive branch, as you know. He wants to create four new Cabinet departments. These Departments would be organized on functional lines, reflected in their names: Human Resources, Community Development, Natural Resources, and Economic Development.

They would incorporate under one roof many presently diversified, overlapping existing activities.

All the details of this reorganization have not been resolved. When they are, I'm sure we'll find some we like and some we don't.

But I think the concept itself is worthy of support. Your support. My support. The support of the business community. The support of all Americans.

We need fundamental changes in the structure of our governments at all levels, changes to do two things:

First, to make the organs of government more sensitive to genuine, broadly based needs, and less sensitive to concentrated pressure.

Second, to better adapt the structure of government to the nature of the problems it confronts.

As things stand now, the various levels of government often combine to hide the true cost of programs.

It works like this: The responsibility for a new program is shifted to Washington primarily because the local voters won't pay for it. The program then comes back from Washington in the form of matching grants. Then, the local voters have to scrape up the local share, or lose the entire grant.

Ideally, the local tax dollar should support directly those local programs desired by the local voters. Too much is lost in overhead—and in control—when that tax dollar makes a round-trip to Washington.

But such sensible simplicity is probably more than we can get in one step.

President Nixon has proposed going halfway first. He wants to reduce federal responsibilities by apportioning federal money to the other political jurisdictions, with no strings, or fewer strings, attached.

This "revenue sharing" is a good idea for two reasons: First, it would let localities set their own priorities. Second, it would deter special interest groups from achieving at the federal level what they cannot justify at the local level.

An improvement, yes. But some problems remain. Revenue sharing still divorces taxation from appropriation. It places the onus of tax collection on the *Federal* Government, while *reducing* competition among states and localities in providing public services efficiently. This weakens an important advantage of our federal system: The ability of people and industry to vote with their feet by moving away from areas where public services are too costly and taxes too high. So revenue sharing is a move in the right direction, but not the final answer.

IMPROVING CONGRESSIONAL COST CONTROL

Our present federal budget problems are the result of the worst features of the executive branch interacting with the worst features of Congress.

Congress, too, needs an organizational overhaul. Badly.

Incredible as it may seem, at the present time neither the Congress nor any of its committees looks at the budget as a whole.

The House Ways and Means Committee and the Senate Finance Committee decide tax policy.

The legislative committees—such as Commerce, Agriculture, and Defense—authorize spending.

And the House and Senate Appropriations Committees recommend how much of the authorization to appropriate.

This is a point that often confuses people. A big authorization is meaningless without an appropriation to match it. Knowing this, congressmen will often pass an outlandish authorization as a political gesture, expecting the appropriations committees to cut it down to size.

As you can see, the proces runs backwards. Congress first decides what it is going to spend, then considers whether there is enough money. A more rational approach would be to start with a list of priorities—based on what the people are willing to pay for—and then divide up the available money accordingly.

But before that can happen, it is necessary to get the money-raisers together with the money-spenders. It is necessary to consider income and outgo at the same time. There is a committee charged with this responsibility—the Joint Committee on the Legislative Budget—but it is inactive. It should be revived.

To get a clearer picture of what's happening to the budget, Congress should insist on five-year budget projections—for both expenditures and obligational authority. These projections should be public.

Under present procedure, programs with big *future* costs but small *initial* outlays are passed and forgotten. The budget is so complex that it's hard enough to focus on the additions each year, without having to recall what's happening to a program begun in the past.

It would also help to have all special programs, such as Social Security, included in the same budget.

Thanks to the gradual accumulation of long-term programs, nearly three-quarters of the budget is "out of control." For this part of the budget, Congress has no choice but to pay the bills as they come due.

This leaves only a quarter of the budget available for economy moves—and a large part of that quarter is the defense budget.

If this situation sounds frightening, it should.

Another important reform is to stop automatically refunding old programs when their authorizations expire. Each and every program should be measured against a standard of need and effectiveness, *every* time it's up for an appropriation. This is called "zero-based budgeting." Using this technique, those programs that can no longer justify their place at the feed trough would be ended, not rubber-stamped for another year.

Finally, expensive new programs should be pilot-tested before they are launched full-scale. And the testing agency should not have any stake in the outcome of the test. This is such an obvious matter of common sense that I can only wonder, sadly, why it has to be proposed at all.

So that's the package:

1. Consideration on the budget as a whole.
2. Detailed, five-year projections.
3. Zero-based budgeting.
4. Pilot testing.
5. Inclusion of all federal commitments in one budget.

It wouldn't solve the deficit problem overnight, but it *would* help to correct the conditions that cause it. It would give us a more efficient, more capable Congress.

There are some hopeful signs that these reforms have a chance of enactment.

A Joint Study Committee on Budget Control has recommended ways to improve congressional authorization and appropriation procedures. The committee bills are S. 1641, introduced by John McClellan of Arkansas, and H.R. 7130, by Al Ullman of Oregon.

And there are many other bills embodying some—or all—of the five points I mentioned.

To name a few: There's S. 40 by Bill Brock of Tennessee, and H.R. 2406 by Kenneth Robinson of Virginia. Also H.R. 5388 by Charles Bennett of Florida.

But there are some discouraging signs, too. Congress, so far, has taken no action on the President's proposed reorganization of the Executive Branch. And for the worst of reasons . . . pressure from some special interest groups that benefit—or think they benefit—from the *present* setup.

So we do have a great opportunity to make some far-reaching structural reforms in our national government. But it will be an uphill fight.

If we do nothing, the unit cost of public service will go on climbing. But if we demand reform—if we keep up the pressure for it—we will get it. Take your choice.

HELPING THE STATES AND CITIES

But let's not spend all of our time on the Federal Government and forget the states and localities.

Decentralized inefficiency is no better than centralized inefficiency.

The states, counties, and cities share many of the organizational problems of the Federal Government. And they have some that are entirely their own.

For one thing, they must deal with problems that neither begin nor end at their borders.

Transportation, utilities, housing, pollution, crime, employment, and many other problems are *regional* in nature. Try telling a cloud of smoke to stop at the county line.

Regional problems need regional solutions. Regional solutions need regional authorities.

I know it's hard to get excited about things like regional sewage treatment. But let me tell you, if more people don't get excited about it, there's going to be a big stink.

Businessmen have a special opportunity—and a special obligation—to contribute to their local governments. Besides taxes, I mean.

Many of the special techniques and skills that can be found in any large business organization are vitally needed in state and local government.

For example, you wouldn't believe the results that "loaned executive" programs have achieved.

One hundred top executives spent six months of their time helping the State of Minnesota save some 65 million dollars. Governor Reagan says 250 volunteer experts have saved California "hundreds of millions."

And I could list many more examples.

What kind of advice produces these savings? Systems analysis. Data processing techniques. Contract writing procedures. Sophisticated cost control. Distribution. Warehousing. Food service. Personnel. You name it in business, and chances are there's a need for it in government.

What it all comes down to is this: As businessmen, we have a choice to make. We can give up a little of our time to do these things for our community . . . and get a better community. Or we can do nothing, and pay higher taxes for less service. Take your choice.

THE HIDDEN PROBLEM

Now we come to a hidden problem. I doubt if one American in a hundred knows it. Yet it may be the most important problem we face, because it is central to many of our other problems. This is the problem of capital formation.

An examination of this problem provides the most compelling reasons of all for finding more effective, more efficient ways to deliver public service.

For 40 years, our politicians have tried to aid the poor by providing services for them with money taken from the middle classes, the rich and the corporations.

Despite the heroic size of this effort, the distribution of income in this country has not changed much since World War II.

Obviously, something went wrong.

What happened to all that money? Well, most of it went for overhead.

For example, 80% of the money for the Community Action Program was siphoned off in salaries and other expenses.

Government grew enormously to provide all those services. From 1947 to 1971, more than one-third of all new jobs were government jobs. Very few of these jobs went to the poor.

And many of the new aid programs mostly helped the affluent.

In "The Retreat from Riches," economists Passell and Ross put it this way: Quote.

"Federal transportation subsidies overwhelmingly aid the automobile, not the subway; farm programs sustain the squire, not the serf; urban renewal assuages the middle classes and dispossesses the poor. Federal housing programs confer 20 times as much benefit on a family earning $50,000 as on one earning $5,000. National health insurance proposals would multiply the burden of the payroll tax, heavily concentrated on the working poor."

Now, I would not necessarily want to endorse the judgment that Passell and Ross make on each of those programs—not without independent study. But I do agree with their general conclusions.

You would think that after 40 years of failure, proponents of income redistribution would be ready to try something else to aid the poor. But no, they insist that we simply haven't tried hard enough.

How hard have we tried? Government spending today equals about one-third of the Gross National Product. If the GNP and government spending continue to grow at current rates, by 1986 government spending will equal 50%—one-half—of the GNP.

What's wrong with that?

Several things.

First, as government gets bigger, more economic decisions are made by government, leaving fewer decisions in private hands. This is an ominous trend, because of the key difference between decisions made by business and those made by government.

Business mistakes may be disastrous to a particular business, but they are usually not harmful to society, and they are always self-limiting. On the other hand, government mistakes are seldom harmful to the people who make them, but they may be disastrous to society, and they are *never* self-limiting.

Furthermore, government decisions preclude competition. You can't tell if something else would have worked better, because you don't get to try it.

The second thing wrong with growing government dominance of the economy is that government increasingly competes with private borrowers for funds.

This competition is aggravating an intense demand for capital. And that's likely to be very hard on the poor.

Why? Because increases in our standard of living correlate more closely with the growth of the private economy than with any other single factor.

The private economy grows through increases in productivity. Productivity grows in proportion to capital investment.

The poor will be worse off because when capital is scarce, it becomes more valuable compared to the other factors of production. So, less of it is available to improve productivity.

With a lower rate of capital investment, labor becomes relatively less productive, therefore less valuable.

I know that sounds complicated, but it is really a simple function of supply and demand: If labor is in short supply, employees benefit. If capital is in short supply, investors benefit. And our recent "altruistic" government policies have insured a shortage of capital.

There you have it: The "hidden" problem. The path from riches to rags.

CONCLUSION

We *can* give the poor genuine help, we can all continue to enjoy a rising standard of living, we can improve our performance in world markets . . . *if* we stop discouraging savings and investment. Or we can allow government to starve the private sector, we can watch the economy stagnate, and we can accept a lower standard of living. Take your choice.

I do not call for greater self-reliance from blind devotion to principle. I call for it because I sincerely believe that it is the best route to a better life for all Americans.

We have tried centralization and it has not worked. Now let's free ourselves from the shackles of outmoded doctrine and get back to the questing, venturesome spirit that once made life here a thrilling challenge.

We have an opportunity today that may not come again in our lifetime. It is the product of many factors.

Most important among them is a President who is committed to a major reorganization of the executive branch.

Next are the congressmen who are learning that Congressional power can best be guarded by improving Congressional performance.

Finally, there's us. You and me and our friends and relatives and neighbors. We're disillusioned by inexorable government growth. We're tired of higher taxes. But we're still determined to have better communities for ourselves and our children.

Well, let's do something about it. Let's not let the Watergate—or anything else—interfere with this peaceful revolution. Let's see how far back toward the people we can push the level of public decision-making. Let's see where performance contracting and business skill can make public services more efficient. Let's see what a growing, healthy economy can do for the poor.

I do not ask that we accept these things on faith. I ask only that we try them, and accept the results.

I would like to share with you a few of the most encouraging sentences that have ever crossed my desk. They come from a letter written recently by the chief executive of the chamber of commerce in one of our biggest cities.

"We agree the growth explosion affecting the metropolitan areas creates tough problems," he writes. "But, we also agree with the philosophy which President Nixon is trying to get the country to accept—that it's high time we begin to resolve our problems locally and stop the process of looking to another source, both for expertise and financing.

"We're going to continue to look to the National Chamber for leadership and we're doing one other thing which is beginning to get acceptance and will have pay-off. We're involving the savvy and understanding of our own people in analyzing both the problems and suggested solutions. And, we're going to make it work."

Ladies and gentlemen, that's the Spirit of '76. The Spirit of 1976. Are we going to make it work? Take your choice.

NATION'S GOVERNORS CALL FOR FEDERAL ALLOCATION OF PETROLEUM SUPPLIES

Mr. HUMPHREY. Mr. President, the Nation's Governors have called for mandatory allocation of petroleum supplies by the Federal Government. The Governors urged this in a policy resolution at the closing session of their conference in Lake Tahoe, Nev., yesterday. This action is encouraging, for it gives further support to the Emergency Petroleum Act of 1973, which passed the Senate by a wide margin—85 to 10—on Tuesday.

Mr. President, it is urgent that a mandatory fuels allocation plan go into effect as soon as possible. The administration's voluntary program for fuel distribution—even though its top officials are hardworking and cooperative, clearly is not working. Daily, I receive phone calls, telegrams and letters from Minnesotans who say they have not received fuel supplies under the voluntary plan. For instance, just a few moments ago I received a call from an independent oil company in St. Cloud, Minn. The company has only enough gasoline and diesel fuel supplies to stay in business 1 more day. If something is not done to reverse this situation, not only will the company go under, but it will be disastrous for the farmers in the St. Cloud area of Minnesota—for the company predominantly services the agricultural community.

I have asked the Office of Oil and Gas to immediately assist this company. And they will try. But there simply are too many cases of unfair allocation for the voluntary system to be effective.

Mr. President, I ask unanimous consent that an article describing the Governors' endorsement of mandatory allocation from the New York Times, of June 7, 1973, be printed in the RECORD.

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

GOVERNORS URGE FUEL REGULATION

(By Seth S. King)

LAKE TAHOE, NEV., June 6. — The nation's Governors called today for mandatory allocation of petroleum supplies by the Federal Government.

Adopting a policy resolution at the closing session of the 65th National Governors Conference, the Governors demanded that the Nixon Administration go beyond the current voluntary allocation program and insure adaptable gasoline supplies for retailers in all parts of the country this summer.

Gov. John A. Love of Colorado, a Republican, questioned the action, saying the resolution implied support for gasoline rationing. He warned that an attempt by the Federal Government to ration fuel supplies in any part of the nation could stifle production.

But the Governors overwhelmingly defeated his amendment and supported in general, the Senate's vote yesterday to authorize Federal regulation of crude-oil supplies.

CLEARINGHOUSE URGED

Putting aside their bipartisan concerns over the effect the Watergate scandal has had on Federal-state relations this spring, the Governors also urged the Nixon Administration to adopt a national energy policy that would include the establishment of an interstate energy clearinghouse at least to provide an inventory of available fuel supplies and where they were located.

Several Governors, both Republicans and Democrats, criticized the Nixon Administration for failing to put teeth in its new petroleum allocation program, which urges the petroleum industry to distribute, voluntarily, at least as much fuel as users received last year.

Gov. William G. Milliken of Michigan, a Republican, prepared the mandatory allocation clause that the Governors adopted, saying the Federal Government should have the authority to force the entire petroleum industry to "meet its responsibilities."

The Nixon Administration sent the Secretary of Health, Education and Welfare, the Secretary of Housing and Development and the executive director of the Domestic Council to discuss its New Federalism concepts with the Governors.

COMPLAINT SESSION

This quickly developed into a complaint session, with several Governors contending that the new Federal regulations for special revenue sharing of welfare funds were so complex and restrictive that the states could not spend the Federal money they were getting.

Gov. Philip W. Noel of Rhode Island, a Democrat, said the Administration was attempting to transfer to the states responsibility for social services without providing a workable system for spending the money.

Even Gov. Ronald Reagan of California, a champion of the New Federalism, complained that the states were not getting enough information from Washington on using revenue-sharing funds.

The Governors unanimously adopted a policy resolution complaining that, after Congress had put a ceiling of $2.5-billion on revenue sharing for social services, the Administration had imposed implementing regulations that had effectively cut this further to $1.3-million.

THE WHOLESALE PRICE INDEX

Mr. JAVITS. Mr. President, the drastic increase in the Federal Wholesale Price Index published this morning by the U.S. Department of Labor, showing a 2.1-percent increase in only 1 month, April–May 1973, is so steep as to require no further argument for abandoning

phase III of price and wage controls—the voluntary phase—and going back to phase II mandatory wage and price controls.

I ask unanimous consent to have the Wholesale Price Index report by the Bureau of Labor Statistics of June 7, 1973, printed in the RECORD.

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

WHOLESALE PRICE INDEX, MAY 1973

The Wholesale Price Index for All Commodities rose 2.1 percent from April to May, the U.S. Department of Labor's Bureau of Labor Statistics announced today.

Prices of farm products and processed foods and feeds advanced 4.7 percent, principally because of increases for animal feeds, oilseeds, and grains.

Industrial commodities increased 1.1 percent.

Consumer finished goods, a selection of food and nonfood commodities closely comparable with those in the commodity component of the Consumer Price Index, were up 1.0 percent.

Of the 15 major commodity groups measured by the Wholesale Price Index, 14 advanced from April to May and one declined.

In May, the All Commodities WPI was 133.5 (1967—100), 12.9 percent above a year earlier; the industrial commodities index was 7.0 percent higher than in May 1972.

SEASONALLY ADJUSTED CHANGES

On a seasonally adjusted basis, the All Commodities Wholesale Price Index rose 2.0 percent in May.

Farm products and processed foods and feeds increased 4.1 percent.

Industrial commodities advanced 1.2 percent.

Consumer finished goods were up 0.7 percent.

In the 6-month period ended in May, the All Commodities Wholesale Price Index rose at a seasonally adjusted annual rate of 20.5 percent. Prices in the last 3 months of the period rose more than in the first 3 months because of an acceleration in prices of industrial commodities. During the 6 months ended in May, the index for farm products and processed foods and feeds advanced at a seasonally adjusted annual rate of 47.4 percent. In the last 3 months of the period, the annual rate was 43.4 percent compared with 51.5 percent for the first 3 months, reflecting declines for animal feeds and meats in April. The industrial commodities index rose at a seasonally adjusted annual rate of 10.7 percent from November to May. Within this 6-month period, the annual rate of increase was 5.8 percent in the 3 months ended in February and 15.9 percent in the 3 months ended in May. The consumer finished goods index rose at a seasonally adjusted annual rate of 16.7 percent in the 6 months ended in May. The index increased at a higher rate in the last 3 months of the period (18.8 percent) than in the first 3 months (14.6 percent). (For changes over 3-, 6-, and 12-month spans, see table 2; for changes before and during the Economic Stabilization Program, see table 4.)

CALIFORNIA'S LARGE DITCH

Mr. MOSS. Mr. President, hailing, as I do, from a water short State like Utah, I look with some envy on the gala ceremony held recently in California to mark the completion of the California Aqueduct, the network of canals, pipelines, dams, and reservoirs that will carry fresh water from the Feather River in northern California to water have-nots in the southern part of that State.

The California Aqueduct, which has been called the "world's largest irrigation ditch" has not been built without controversy. But the feud has ended—for the present, at least.

We have a similar controversy building in Utah. I am making every effort to get funds to complete as quickly as possible the Bonneville unit of the central Utah project so water can be brought from it, to the Great Basin, including the Salt Lake Valley through the Salt Lake Aqueduct.

There are many who oppose this project on environmental and other grounds. Yet without it, the Salt Lake Valley will soon be as short of water as some areas of southern California.

Evidently there has been some environmental damage in building the California project. This we must guard against in Utah—at all costs. Our problem is to make sure we build our much-needed water developments with as little damage to the environment as possible. But build them we must—as California has done—and with all possible speed.

Mr. President, I ask unanimous consent that the article on the California Aqueduct, which appeared in the Deseret News of June 5, be printed in the RECORD.

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

CALIFORNIA FEUD IS OVER, LAND READY FOR DRINK

(By Carl J. Sitomer)

LAKE PERRIS, CALIF.—Water—the issue that for decades has split California, swayed state and local elections, triggered lawsuits, and focused legislative feuds—may no longer swell the stormy controversy it used to here.

Why? The have-nots in southern California—where 70 per cent of the state's 20 million people live—will soon be haves as northern water running through the new California Aqueduct starts to wet down the up-to-now parched lands in Los Angeles, San Diego, and other metropolitan areas.

A gala ceremony here at this manmade lake east of Riverside marked the completion of the world's longest irrigation ditch—the California water project. Gov. Ronald Reagan turned on the spout that now will bring to this desert clear, fresh Feather River water from 600 miles away.

The event marks a technological achievement perhaps unmatched in Western civilization. Health, Education, and Welfare Secretary Caspar Weinberger calls the vast network of dams, canals, power plants, pipelines, and reservoirs that tote water the length of this state the "current wonder of the world."

Why is it so important? Among other things, it means:

Millions of acre-feet of water for home, farm, industrial, and recreational uses in southern California. Fruit and vegetable growers in the farm-rich San Joaquin Valley say that the first trickle of Feather River water that flowed their way last year averted millions of dollars of crop losses during a long summer drought.

Flood control for rain-drenched northern California. The Oroville Dam has already saved much of the surrounding area from water damage and destruction.

Smog-free electric power.

Expanded recreational opportunities. Fishing, swimming, boating, and hiking facilities are being provided along the water trail. And state officials boast that California soon will have a 44-mile uninterrupted bikeway—the longest in the world.

Despite these pluses, many here still consider this giant waterway a mixed blessing. Some have fought it all along the way, trying to block the use of public funds for it in the Legislature, the courts, and through ballot initiatives.

They charged the project costs too much—almost $2.3 billion so far; its stone and concrete has scarred California's natural beauty and often disturbed nature's balance; and its gobbling up of energy could trigger a major power shortage.

THE ENVIRONMENTAL IMPACT STATEMENT FOR THE BONNEVILLE UNIT OF THE CENTRAL UTAH PROJECT

Mr. BENNETT. Mr. President, the Bureau of Reclamation has just advised me that they have returned the environmental impact statement for the Bonneville unit of the central Utah project to the region for "further clarification" before it can be forwarded to the Council on Environmental Quality.

The action was greeted with concern by many Utahans who fear that a small group of environmentalists are attempting to raise questions concerning the project with the objective of delaying approval of the environmental impact study to the point where they will bring the project to a halt.

The central Utah project was authorized by Congress 17 years ago yet its most complex unit—the Bonneville unit—stands only 14 percent complete. Construction was not started until 1966 and the Bureau of Reclamation's funding and construction program since then has been both unrealistic and uneconomical.

Approximately 40 percent of this unit's initial deliveries are needed to meet municipal and industry water requirements today, not some time in the future.

No new contracts can be let for construction on the central Utah project until the environmental impact study on the Bonneville unit has been filed with the Council on Environmental Quality. The time for completing this statement has already been excessively long; and there is a distinct possibility that work on the central Utah project will come to a halt by September this year.

If Utah is not to stagnate, it must have more water for the future. Even though the central Utah project was conceived long before the general public became concerned about protecting the environment, planning is continuing even today to make modifications which will make the project current with contemporary development. Every feasible step will and should be taken to keep environmental damage to a minimum. But the damage that must be sustained must be balanced against the gains in new recreation areas, in adequate water supplies, and in increased power facilities.

The proper development of Utah's water resources has been essential to its orderly growth since the first pioneers diverted water into the first irrigation system.

The challenge now is to move ahead expeditiously with the central Utah project. The objectives of more water and a better environment need not be mutually exclusive.

THE FUTURE OF NORTHERN IRELAND

Mr. RIBICOFF. Mr. President, my distinguished colleague, the senior Senator from Massachusetts (Mr. KENNEDY) has written an unusually perceptive article on the White Paper for Northern Ireland and the future of Ulser.

Senator KENNEDY, writing in the current issue of Foreign Policy, expresses his optimism that there is now an historic opportunity "for constructive new steps toward peace" in strife-torn North Ireland. I join him in this hope, and in his condemnation of all the violence and terror in Ulster.

I also agree with Senator KENNEDY's observation that "the most negative single aspect of the White Paper is its lack of commitment to the unification of Ireland." As I have stated before, the crux of the matter is a united Ireland, an Ireland free of repression, discrimination, and sectarian strife.

In this connection I welcome the recent accession to the presidency of the Irish Republic of Mr. Erskine Childers—a Protestant. This is an important symbol of future harmony and peace. But before peace can be achieved, there must be greater wisdom, courage, and compassion displayed by those who now hold Ulster's fate in their hands.

There must also be continued American concern voiced over this issue. The role Senator KENNEDY has assumed in bringing the continuing tragedy in Ulster to the attention of the American people and our Government is in the highest tradition of our Nation's humanitarian and moral principles.

His very fine article should be read by all those with an interest in the people and future of Ireland. I ask unanimous consent that the article, "Ulster Is an International Issue," by Senator EDWARD M. KENNEDY be printed in the RECORD.

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

ULSTER IS AN INTERNATIONAL ISSUE

(By EDWARD M. KENNEDY)

The White Paper for Northern Ireland, announced last March, comes as Great Britain's most constructive initiative in nearly four years of bloodshed and tragedy in Ulster. Yet, since the White Paper leaves for future resolution virtually all the details of legislative and executive power-sharing between the majority and the minority, the proposals are still far more shadow than substance. Nevertheless, they form a hopeful foundation on which both sides can now begin to build their future.

In a sense, British policy toward Ulster bottomed out last March. Gone, or virtually gone, are the years of repressive measures and abdication of responsibility. If the Council of Ireland, the most hopeful recognition Britain has yet given to the Irish dimension in Ulster, still seems far from reality in the White Paper, it is also clear that the old Stormont is dead, and with it has died the principle of absolute Protestant supremacy in Northern Ireland. The bitterness and tragedy and sectarian violence that have wracked the province since 1969 may linger on, but at least Britain has now succeeded in wiping the slate largely clean, so that a new compact of future representative government is capable of being written. In light of the historic opportunity now available for constructive new steps toward peace, it helps to look back over the path traveled so far, in order to see more clearly the direction in which future policy of the United States and Great Britain should move.

There is a fundamental analogy between America's experience in Indochina and Britain's experience in Northern Ireland. In a sense, Ulster is Britain's Vietnam, and the tragedy of Britain in Ulster is the tragedy of the United States in Indochina.

The Vietnam analogy, of course, is not precise, but it is easy to draw the parallels, because so many of the arguments over Ulster—the spectre of the bloodbath, the pursuit of the phantom of military victory, the growing domestic disenchantment in Britain with rising casualties in Ulster, the benevolent but often desperate efforts of British leaders to impose a solution on Irish parties who have not yet learned to resolve their age-old differences and live together—are similar to the arguments made years ago over America's role in South Vietnam.

To countless Americans, Ireland has long seemed an incurable and interminable cancer on Britain's body politic, an issue destined to bring turmoil to unending generations of British and Irish people and their leaders. To many, Ireland has been the exception to Britain's outstanding reputation for resourceful and successful diplomacy. As Gladstone put it in the nineteenth century:

"Go into the length and breadth of the world, ransack the literature of all countries, find if you can find a single voice, a single book . . . in which the conduct of England towards Ireland is anywhere treated except with profound and bitter condemnation. Are these the traditions by which we are exhorted to stand? No. They are a sad exception to the glory of England. They are a broad and black spot upon the pages of history."

Half a century ago, the world witnessed the traumatic upheaval that gave birth to the cruel experiment of partition. Over the past few years, a new and even more brutal chapter of terror has been written in the history of Ireland.

Were I neither Catholic nor of Irish heritage, I would feel compelled as a member of the Senate to protest against the killing and violence in Northern Ireland, just as I have protested at other times in my years in the Senate against killing and violence in Vietnam, Biafra, the Middle East, Bangladesh, and many other parts of the world.

The violence and terror must be ended. I condemn the brutality in Northern Ireland. I condemn the violence of the IRA. I condemn the violence of the UDA. I condemn the violence of the British troops. I condemn the guns and bombs and wanton killings. I condemn the flow of arms or any funds for arms from the United States or any other country to Northern Ireland. I share the words of Cardinal Conway, who spoke eloquently against the Ulster terror in his Christmas message in 1971: "To kill a man deliberately—to snuff out an innocent life—is a terrible deed. . . . And this is true, no matter who does it, no matter what side he is on."

Because the crisis in Ulster is a crisis in human rights, it is a crisis of the sort that has always triggered strong involvement of American citizens. The concern in this country over violence in Ulster is part of the long and distinguished record of America's concern for justice in other lands, especially Ireland.

Throughout our history, and especially in periods of intensifying violence in Ireland, resolutions have been introduced in both Houses of Congress supporting the cause of Irish freedom. The platforms of the Democratic and Republican parties in 1888 gave strong encouragement to the historic home rule campaign for Ireland led by Gladstone and Parnell. Later, when the United States entered World War I, President Woodrow Wilson instructed our ambassador in London to urge Prime Minister Lloyd George to settle the Irish question.

Perhaps the high-water mark of American concern over Ireland in the past was the investigation carried out in 1920 by the Committee of One Hundred Fifty on Conditions in Ireland, a private group of distinguished Americans organized by *The Nation*. From its members, the Committee elected a smaller Commission to conduct a public inquiry, including Jane Addams of Hull House; Senator George W. Norris of Nebraska and Senator David I. Walsh of Massachusetts, a man whose Senate seat I hold today.

The Commission's hearings and subsequent report had enormous impact in mobilizing public opinion. The descriptions of cruelty and violence, especially of the murderous raids carried out by the Black and Tans, brought home the horror of events in Ireland, and were an important influence leading toward the settlement of the conflict, under the pressure of world opinion.

The expressions of concern voiced in America over Ulster in recent years thus follow in a long line of precedents. The United States has a clear and useful role to play in helping to bring the situation in Northern Ireland to the attention of the American people and the world community, and we should not hesitate to exercise it.[1]

THE SHAME OF INTERNMENT

The nadir of British policy in Ulster was the imposition of internment without trial in August 1971. Since then, the toll of bloodshed, bullets and bombing in Ulster has been a continuing reminder of how wrong that policy was at its inception, and how wrong it is to allow it to continue.

Day after day, week after week, month after month, the nation that gave Magna Carta, habeas corpus, due process and the common law to the world imprisoned hundreds of citizens in Northern Ireland without warrant, charge or trial, often on evidence of the rankest hearsay and deception.

Apart from the unjustifiable deprivation of liberty, the most unconscionable aspect of internment as a policy was its discriminatory application to the Catholic minority. Between August 1971 and December 1972,

[1] Although President Nixon and his Administration have been silent over Ulster, the President himself has not always been reluctant to speak on the Irish question or to urge Britain to modify its course. Two months before the Presidential election in 1952, Mr. Nixon, as candidate for Vice President, stated that he was "against the partition of Ireland absolutely." He said, "Of course, it is not easy to suggest practical steps to end partition right away. But one thing that occurs to me is the possibility of putting pressure on the British when it comes to handing them out American money. Then it could be made clear we do not favor their policy in relation to the division of Ireland."

Mr. Nixon was also reported as saying he thought the United States could exercise considerable moral influence on the demand for a united Ireland, and he said he was in favor of such action. Mr. Nixon also stated in the interview: "It can be said that there is a better chance of a Republican Administration doing something about partition than the Democrats. . . . We are more honestly concerned in trying to help in this partition than the Democrats."

a total of more than two thousand Catholics were detained, but only one Protestant.[2]

It is difficult to imagine a policy more clearly calculated to alienate the religious minority in Ulster. In spite of the violence perpetrated by the Protestants, in spite of the rising spectre of Protestant extremist organizations, in spite of the reign of sectarian murders by assassination squads—one of the ugliest and most dangerous recent developments in Ulster—internment still persists today as almost entirely a "Catholics Only" policy.

There were other sinister ramifications of internment for British law and justice. In February 1972, for example, there was the spectacle of Parliament rushing midnight legislation into law to reverse a decision by the High Court of Northern Ireland earlier that day, holding that British troops in Ulster had exceeded their authority in carrying out arrest, internment, and certain other orders.

And then, compounding the crime of internment, there were the initial reports of torture in the camps, as British intelligence tried to learn the secrets of the IRA by methods no civilized people can countenance.

On the heels of the first reports of torture came the outraged British denials. But many of the worst fears were confirmed in all but name by the report of the Compton inquiry.

Again and again, the Compton Report found the immoral and inhuman facts of torture. Yet, it denied their meaning by Alice-in-Wonderland logic, by obscure and hypocritical phrases that whitewashed the brutality and spoke only of "ill treatment" and "deep interrogation"—rhetoric seeking to justify obviously barbarous means by resort to a worthy end.

No nation that calls itself a democracy can justify a policy of internment for its citizens. And so, one of the most applauded parts of Prime Minister Heath's initiative on Ulster in March 1972 was the promise to end internment, and thereby bring back to Ulster evenhanded justice. Significant progress has been made in recent months toward redeeming that promise. Methods have become more rigorous for issuing internment orders. A number of quasi-judicial procedures have been adopted, in accord with the report of the Diplock Commission in December 1972. The verdict is not yet in on the operation of these procedures. The hope is that they mark a *de facto* end to internment. The fear is that they are simply a new disguise for the old internment policy. Some 700 internees have been released, but nearly 400 are still detained, many of whom are now nearing the end of their second year of imprisonment without charge or trial. Internment by Lord Diplock's or any other name is still internment, and it is past time to end all the vestiges that remain.

BRITISH TROOPS IN ULSTER

When I first spoke out on Ulster in October 1971, I included as part of my recommendations a call for the withdrawal of British forces from Northern Ireland, and the institution of appropriate procedures for law enforcement and criminal justice, acceptable to all the parties. Such procedures would be consistent, for example, with a United Nations peacekeeping force, a Common Market force, or the formation of a reconstituted Ulster constabulary as an even-handed police service.

It is now four years since Britain first introduced its substantial military presence in Ulster. As we know from first-hand experience in the United States, military forces are not trained police. They do not know how to keep the peace on a continuing daily basis. On several occasions in the 1960's, President Lyndon Johnson was obliged to order Federal troops into American cities to maintain law and order. But always, whether in Detroit or Baltimore or Chicago or Washington, D.C., the troops were deployed only to deal with a sudden crisis, and they were removed as soon as the emergency was over.

But that was not the case in Ulster. By early 1972, the British troops in Northern Ireland were seen as a permanent army of occupation, not the transient peace-keeping force they were supposed to be. The Army's role in maintaining the internment policy contributed to the alienation of the minority. Inevitably, the confrontation came. On Bloody Sunday, in January 1972, 13 Ulster Catholics, participants in a civil rights demonstration, were killed by gunfire by British troops. Just as the brutality in the internment camps was compounded by the Compton inquiry, so the slaughter in Londonderry was compounded by the inquiry carried out by Lord Widgery's tribunal, an inquiry that had many of the hallmarks of our own limited and ineffective investigations of Kent State and My Lai. Perhaps the cruelest statement in Lord Widgery's report was the sentence that begins his Summary of Conclusions:

"There would have been no deaths in Londonderry on 30 January if those who organized the illegal march had not thereby created a highly dangerous situation in which a clash between demonstrators and the security forces was almost inevitable."

Those few words, given such symbolic prominence in the report as Conclusion Number One, spoke volumes about Lord Widgery's approach to the entire inquiry. In a sense, the United States has heard it all before, from American Widgeries investigating American tragedies. You might as well say that there would have been no killings at Kent State if American students had not been demonstrating against the war, no killings at My Lai if Vietnamese civilians had nor been living in that tragic hamlet. But in the years that have passed since Kent State and My Lai, we have learned that such official rationalizations cannot conceal the true horror of events like those at Kent State or My Lai, and the same is true of Londonderry.

Res ipsa loquitur, the lawyers say—"The thing speaks for itself." Only the most compelling circumstances of mortal danger to the troops could possibly justify resort to the use of deadly force. There were no such circumstances at Kent State or at My Lai. And so far as the Widgery Report proves, there were none at Londonderry.

Perhaps the most distressing result of the Widgery Report is the congenital bias it demonstrates in favor of the government. Once again, we see the inability of British justice to deal fairly and impartially with events in Northern Ireland. The Widgery Report, the Compton Report, the midnight session of Parliament called to reverse an inconvenient court decision—these and other events show that British justice is apt to bend to the prevailing official winds when the Irish issue is involved.

The events of Bloody Sunday were a watershed. Calls increased for the withdrawal of British troops as an essential step toward restoring peace in Ulster. Yet, just as the British government argued that it could not end internment because it would mean the return of gunmen to the streets, so the government also argued that it could not withdraw the troops because of the bloodbath that would follow. And so for months we saw a policy that condemned hundreds of innocent men and women and children to die in the streets of Londonderry, Belfast, and other cities, towns and villages in Northern Ireland, because London feared that even more might die if the policy on troops were changed. To prevent the hypothetical bloodbaths of the future, the leaders of Britain and Northern Ireland sought to rationalize the very real bloodbaths of the present, thereby adding unnecessary new fuel to the deepening agony of the province, and jeopardizing future initiatives in British policy.

At the same time, however, the new intensity of violence triggered by Bloody Sunday was probably responsible, as much as any single event, for Britain's decision in March 1972 to suspend the Ulster Parliament at Stormont and launch the policy of "direct rule" of Northern Ireland by the British Parliament at Westminster.[3] In a sense, therefore, Bloody Sunday was the event that precipitated Britain's first positive step to end the deadly slide of Ulster into chaos—some comfort, perhaps, to the family and friends of those who died, to know that the White Paper is their monument.

ABOLITION OF STORMONT

The most positive single aspect of the recent White Paper is its abolition of Stormont and the formation of a new Northern Ireland Assembly, to be elected under a system of proportional representation designed to assure a fair role for both the majority and the minority.

Apart from the presence of British troops, there was no more odious symbol of the half century of massive injustice in Ulster than the Parliament at Stormont. Throughout its history, Stormont had been a device for continued oppression of the minority, a classic example of John Stuart Mill's tyranny of the majority. The circumstances of the creation of Northern Ireland and the religious and class divisions ingrained by centuries of history had left no realistic possibility that the processes of parliamentary government and democratic elections could function to establish a role for the minority in Ulster. As a result, through Stormont, the minority endured virtually limitless subjugation during 50 years of absolute apartheid rule by the Unionists.

In recent years, before the beginning of internment, Stormont had failed to function as an effective legislature, because the small band of members representing the minority had refused to participate in the parliamentary charade the Unionists wished to play. Stormont was defunct in all but name. At last, by assuming direct rule, Britain recognized that fact, and the White Paper delivered the coup de grace.

UNIFICATION OF IRELAND

The most negative single aspect of the White Paper is its lack of commitment to the unification of Ireland. If anything, the White Paper is a retreat from the Green Paper of 1972, with its imaginative discussion of the "Irish Dimension" in Ulster and its proposal for a Council of Ireland, in which representatives of both Ulster and the Republic could discuss and act on matters of common interest.

A distressing sign of the British attitude toward unification is the latitude given to the growth of militant Protestant organizations through 1972. In effect, by the long delay in announcing its White Paper, Britain gave time to the die-hard Protestant extremists to "play the Orange Card" again, just as Lord Randolph Churchill played that card in the 1880's by stirring up the Protestant Orange Order against Gladstone's Home Rule Bill for Ulster.

For nearly a hundred years, British policy toward Ireland has been paralyzed by the

[2] In the early months of 1973, a handful of Protestants were interned, in circumstances involving sectarian assassinations. At the end of March 1973, Prime Minister Heath told Parliament that, of a total of 389 persons detained or held under interim custody orders awaiting hearings, 367 were Catholics and 32 were Protestants.

[3] At the time, I welcomed Prime Minister Heath's initiative of direct rule. I have also praised the subsequent actions of Mr. William Whitelaw, Britain's Secretary of State for Northern Ireland, for the skillful way in which he has administered the province since direct rule was established.

fear that the Protestants of Ulster will play the Orange Card and fight to preserve their British tie. But Ulster is not about to commit suicide over the unification of Ireland. I do not believe that the vast majority of Ulster Protestants are prepared today, or were prepared at any time in the past four years, to plunge their homeland into civil war for the sake of the Union Jack. Unification may not be at hand today, but neither is civil war over the initial steps that can and should be taken in that direction. If Britain is resolute and evenhanded in her policy, the Protestant extremists will not succeed in the violent path of opposition they have chosen.

We know that the extremists of the IRA failed to capture the hearts and minds of the Catholic minority in their brutal campaign of 1955–1962. They succeeded in recent years, but only because the peculiar blindness of the Stormont and Westminster leadership made it almost totally resistant to the legitimate demands of the Catholic minority.

If, as progress toward unification of Ireland grows, the Republic demonstrates its willingness and ability to protect the political, economic and social rights of the Ulster Protestants in a united Ireland, I believe that the extremists on the Protestant side in the North will never succeed in any campaign of violence designed to play the Orange Card today.

Given the history of partition, the White Paper's reaffirmation of the Attlee declaration and the use of plebiscites on self-determination for Ulster is a travesty of a noble principle. If there is to be self-determination for Ulster, why not self-determination for Londonderry, or County Tyrone, or any other predominantly Catholic area in Ulster?

Seen in this light, the plebiscite last March on the border issue was a quixotic gesture. Voters were asked two questions—Should Northern Ireland remain a part of the United Kingdom? Should Northern Ireland become a part of the Republic of Ireland? At best, the questions were ambiguous and misleading, since the voters did not know the terms of the possible links to the United Kingdom or to the Republic of Ireland. At worst, the questions were inflammatory, since the plebiscite simply reinforced the existing passions over the border.

We know the calculated and cynical gerrymander that produced Ulster 50 years ago. The only self-determination applicable today is self-determination for all of Ireland, not just for the uncouth entity that Britain spawned in 1920. Half a century is not enough to stamp the Ulster state with any acceptable seal of legitimacy in the eyes of those who truly believe in self-determination.

Thanks to the impetus of their new membership in the Common Market, basic change is already well under way for Britain and Ireland in modern Europe. That is why I hope that the Republic will progress as rapidly as possible toward comprehensive resolution of all the issues that divide North and South, so that Protestants and Catholics alike in Ulster may see that genuine progress is possible through reconciliation instead of violence.

The process has already begun. In December 1972, the citizens of the Republic, by a majority of more than 5 to 1, voted to delete two provisions granting a special position for the Roman Catholic Church in the Republic's Constitution. The vote was a gesture of good will toward Protestants in Northern Ireland, a symbolic step in recognition of the Republic's own important obligations if unification is to materialize. Manifold other accommodations must take place as well—best summarized in the fertile concept of a "New Ireland" promoted by leaders in both North and South.

As former Prime Minister John Lynch of the Republic of Ireland has stated:

"The only solution is an Ireland united, by agreement, in independence; an Ireland in a friendly relationship with Britain; an Ireland which will be a member with Britain of the enlarged European communities. I hold this view because I believe that there is no other way to dispose of the contentious and difficult legacy which history has left to our two islands—certainly no way which will not compound the problem for our children." [4]

There are those who say that some middle ground for Ulster is still a possibility, that unification is not the only road to peace, that the White Paper, with its guarantee of adequate minority representation in the new Northern Ireland Assembly, is all that can be achieved today.

To me, such an attitude is another example of the years of missed opportunity toward Ulster. Other reforms may be important short-run steps, but an open road to unification is the only present step that can cement permanent peace in Ireland. With Ireland exhausted by civil war in the 1920's, participation worked for almost 50 years. Perhaps, with Ulster exhausted by the violence and terror of 1969–1973, partition can continue under a reformed assembly to tide Ulster over for another generation. But it can do so only at the certain cost of a new long-run crisis, and a new convulsion for some future Ulster.

Such steps today would be more of the too little and too late approach that Britain has taken toward Northern Ireland throughout the present crisis. It is not enough to end internment, to withdraw the troops, to reconstitute the Assembly, to bring the minority into the executive, to offer massive economic aid, or to adopt any of the other reforms proposed in years gone by. It would not be enough to attempt total assimilation of Ulster into Britain as a way of guaranteeing full minority rights. It would not be enough even to redraw the Ulster boundary, as some have proposed, in a desperate attempt to find a formula that will keep some corner of Ulster forever British.

The test of British intentions is, at minimum, whether present policy will create an effective device, such as the Green Paper's Council of Ireland or some comparable all-Ireland institution, which can hold out the promise, however dim today, of eventual Irish unity.

If her sights are kept high, if her leaders have the courage to embrace the opportunity, Britain can make a commitment to unification, to an end to Westminster rule in Ireland, to an end to the unnatural partition forced on Ireland in the 1920's.

A VOICE FOR AMERICA ON ULSTER

There are those who say that America should stand silent in the face of the daily tragedy taking place in Northern Ireland. I do not agree, and I do not think that most Americans agree. Our heritage as citizens in a nation that has been a spokesman for peace and human liberty in the world for two centuries requires us to speak out and find a helpful role to play in contributing to a permanent peace in Ulster.

A larger issue is the question of what kind of foreign policy we want for America as we enter the final quarter of this century. I believe we want a policy that places far more emphasis on the billions of ordinary people throughout the world who seek a decent life. If America needs President Thieu in South Vietnam or Lon Nol in Cambodia, if we need Greece to stand against Russia, if we need Arab oil when the life of Israel is at stake, if we need Pakistan to arrange our summit in Peking, if we need military dictators to preserve our corporate interests in Latin America, if we need chrome from Rhodesia and sugar from South Africa, if, finally, we stand silent before killing and repression and brutal religious conflict in Northern Ireland, then we do not understand the direction of the world. We deny our heritage.

It cannot be seriously maintained that Ulster is the internal affair of Britain. Beyond dispute, Ulster is an international issue. The involvement of the Republic of Ireland, a sovereign and independent nation, is as current as the daily headlines. No British settlement in Ulster can ignore the Republic's rightful role.

Moreover, in an indirect but not insignificant way, the United States also has an interest in the early peaceful resolution of the Ulster crisis. The thousands of British troops now tied down in Ulster are of obvious importance to the level of troop commitments in NATO, an issue of growing concern between the United States and Europe.

What, then, is the proper present role for the government of the United States to play with respect to Northern Ireland? In my view, it is time to let America's voice be heard. We should establish a continuing policy of the Administration, a tone that reflects the legitimate concern of millions of American citizens for an end to the violence in Northern Ireland and a recognition that the minority in Ulster is entitled to participate fully in the government of their province. To this end, we should convey to Britain our concern for effective and evenhanded peace-keeping arrangements and for the fair implementation of the power-sharing arrangements to be established in the legislative committees and the executive departments of government once the new Northern Ireland Assembly is elected.

In the long run, we should leave no doubt of our support for unification as the ultimate goal for Ireland. To this end, we should urge the generous implementation of the provisions of the White Paper dealing with the creation of a Council of Ireland, capable of holding out the promise of steady future progress toward unification. And once the Council is established, we should join in encouraging North and South to bring their differences and common problems to the Council table for discussion and solution.

Neither urgent protests against the violence nor the use of overwhelming military force to contain it is enough alone to end the crisis. Until a political solution is implemented that is seen to be fair and evenhanded by both sides, the search for peace will be in vain. Fifty-five thousand Americans died before we learned that tragic lesson in Vietnam, and four years of needless violence and destruction have passed while Britain learned that lesson in Northern Ireland.

[4] "The Anglo-Irish Problem," Foreign Affairs, July 1972.

CHAIRMAN OF ANTI-DEFAMATION LEAGUE—SEVEN DAYS IN THE SOVIET UNION

Mr. JAVITS. Mr. President, recently Seymour Graubard, Esq., of New York, national chairman of the Anti-Defamation League of B'nai B'rith visited Moscow, accompanying New York City's Mayor John V. Lindsay who was there on a city to city visit. The report and commentary on his visit is published in the May 1973 issue of the ADL Bulletin, the national publication of the Anti-Defamation League. I ask unanimous consent that it be printed in the RECORD.

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

SEVEN DAYS IN THE U.S.S.R.

(By Seymour Graubard)

It is one thing to read about the courage of a people and quite another to see it for oneself. During seven days in Moscow and Leningrad I met with 30 Soviet Jews. I am filled with admiration for their courage, exhilarated by it, and at the same time profoundly depressed that in our contemporary world there is still need for Jews to be courageous if they want to remain Jews.

Last February, Vladimir F. Promyslov, Mayor of Moscow, paid an official visit to John V. Lindsay, Mayor of New York. They discussed city planning, housing, transportation and the many problems common to large cities throughout the world. Mayor Lindsay, invited to visit Moscow, made as a condition of the return visit that he be permitted to bring with him at least one American Jewish leader, that they would be allowed to meet with Soviet Jews and to discuss with Soviet officials the situation of Soviet Jews. It was on that explicit understanding that I was invited by Mr. Lindsay to join his delegation, and that the visit took place.

We arrived in the Soviet Union May 3. In Moscow and then in Leningrad, we met with Jewish activists—mostly scientists, artists, journalists and other professionals—who had applied for and been denied permits to leave the U.S.S.R. for Israel and with those whose applications had been pending for long periods of time. The members of neither group had given up hope. And, despite the fact they they knew the government was aware of our "private" meetings, and, indeed, that the KGB was recording every word said, they spoke frankly. "After all," one man explained in almost flawless English, "we have already made our feelings clear to the officials, which is why the secret police has files on us."

I don't know what I expected—maybe highly emotional meetings, tears, raised voices, expressions of indignation. But it wasn't that way at all. Each person I spoke with recited his story quietly, factually, often with humor and with a perspective of the problems faced not only by Soviet Jews but by the Soviet Union.

They had made their choice deliberately and after much thought. They knew that to apply for emigration meant dismissal from their jobs, isolation from their fellow professionals, harassment by the KGB and, most likely, imprisonment on a variety of trumped up charges. Still they had applied. They accepted the certainty of those difficulties because they sought individual freedom for themselves and especially for their children.

When questioned about anti-Semitism, each gave the same answers. It was pointed out that in the first years of the revolution, Lenin did his best to eradicate the centuries old anti-Semitism that existed under the Czars. But under Stalin there was a resurgence of anti-Semitism, with official approval. The post-war alleged "Jewish Doctors Plot" engineered by Stalin was the signal for the suppressed anti-Semitism to become overt once more.

Thereafter, I was told, many Jewish students found it difficult to obtain admission to universities. Jewish administrators discovered that they were no longer considered eligible for promotion. Anti-Semitic publication became common under the euphemism of "anti-Zionism." Matters worsened after the Six Day War when Soviet policy became even more aligned with the Arabs.

I was told repeatedly that the head of each family, if he remained quiet, could have continued without difficulty in his present position, but that his children and their children inevitably would suffer the consequences of anti-Semitism and of a systematic destruction of their cultural heritage. So they could not remain quiet or close their eyes to what the future held. Each had gone through the arduous procedures of amassing the necessary documentation and applying for the papers that would allow emigration to Israel.

They told me that the government had long considered the desire to leave an act of disloyalty to the Soviet Union. From the Kremlin's point of view, they said, if so many Jews were permitted to leave, the government might have problems with other ethnic groups. From their point of view, they said, this was unlikely since official exit permits are granted only to those seeking to rejoin their families. "The other ethnic groups," said one man with a taut grin, "do not have many relatives in Israel or elsewhere." He said, too, that of all the ethnic groups in the Soviet Union, only the Jews are landless, another reason for wanting to go to Israel, to their own nation.

In an interesting departure, we met with seven of the Soviet Jews, not in their own homes, but in the state suite of the plush Hotel Sovietskaya where the government puts up its honored guests. Mayor Lindsay had made plans to meet them in their homes but his host, Mayor Promyslov, was concerned about "propriety" and insisted that they come to see us instead. The seven, led by Dr. Benjamin Levich, the world-famed theoretical physicist who was fired by Moscow University after applying for an exit visa in 1972, included some of the most outspoken critics of Soviet emigration policies. They came to the hotel—and Mayor Lindsay provided cake and wine, at the expense of his Soviet hosts.

Professor Levich is now a scientific worker at the Soviet Academy of Sciences, a lowly job ($536 a month against the $1200 he formerly earned) from which he may also be ousted. His wife, a translator, is now without work. His sons, one of whom won his doctorate when he was 20, the youngest in Soviet history, are both being harassed because of the application to leave and have been removed from positions commensurate with their training. (Several days after returning to the United States, I received a telephone call from Mrs. Levich who told me that her son, Yevgeny, had been arrested and taken to a military post in Siberia.) Others in the group, also ousted from their professional jobs, are now unemployed or working as laborers and dishwashers.

At Mayor Lindsay's insistence, I was permitted to join him at a conference held with Boris T. Shumilin, deputy minister of internal affairs. (I was refused permission to attend Mayor Lindsay's meeting with Prime Minister Alexei Kosygin.) Mr. Shumilin, in answer to arguments in behalf of Soviet Jews, stressed that the right to exit was a matter of internal Soviet concern and that the great majority of people who submitted their papers in proper form were allowed to leave. He pointed out that nearly 30,000 had left last year and that they were leaving at the same rate in 1973. He asked Mayor Lindsay how many Jewish New Yorkers left to reside in Israel. Mr. Lindsay pointed out that the U.S. government allows its citizens to go and come freely. He said that perhaps 1,000 New York Jews a year go to Israel for permanent residence but many more go to visit and our government does not keep track.

He told Mr. Shumilin that giving Soviet Jews the right to leave would vastly improve the U.S.S.R.'s image throughout the world. He said that Americans in particular simply cannot understand why restrictions should be imposed, why Jews who apply for exit immediately lose their jobs.

Mr. Shumilin reminded us that the education tax had been dropped and that this new policy will probably continue for the next several years. He made no comment on the fact that lifting the education tax is unimportant if Soviet Jews are still prevented from leaving and discriminated against for even trying to leave.

There was nothing new or different in Mr. Shumilin's statements. They followed the official Soviet line. What was new and different was the meeting itself, the candidness of Mayor Lindsay's comments, and my participation as an American Jew. In this nation which deals in Realpolitik, the deputy minister of internal affairs was willing to discuss the topic of Soviet Jews with us. What did it mean?

To me it meant that the joint efforts of the Anti-Defamation League and other American Jewish agencies to keep the plight of Soviet Jews before the public has had even more effect than we realized. At a time when the U.S.S.R. is seeking American acceptance in order to improve its economy, western reaction to restrictions against Soviet Jews can stand in the way. The Soviets, then, have a choice. They can either keep trying to convince us that there are no restrictions, or they can remove them. I believe that continued pressure by Americans, backed by the leaders of our government, can lead to a lifting of the restrictions as a quid pro quo for United States trade.

Hopefully, a result of our seven days may be the granting of relief to a number of Soviet Jews awaiting exit permits. From the Soviet point of view, that would be an important symbol of good will toward New York City, the center of trade and, in large measure, of the American Jewish community.

In the end, it would seem, western morality will have little to do with U.S.S.R. attitudes toward its Jewish citizens. If Americans find this hard to accept, the Soviet Jews have accepted it long ago. This is why they can talk about their situation so matter of factly, without emotion, and with such a clear perspective of the linkage between their own problems and those of the Soviet Union itself.

SOCIAL SERVICES

Mr. HUGHES. Mr. President, I was most gratified to learn that the Senate Finance Committee voted unanimously to approve legislation, perhaps as an amendment to the debt ceiling bill, which would postpone the effective date of the HEW social services regulations until January 1, 1974, so as to give Congress time to act in this area. I heartily endorse this action.

It became abundantly clear to all of us, I think, when the final regulations were published on May 1 that the administration had no real intention of changing the appalling regulations promulgated in February. Despite the fact that the Social and Rehabilitation Service received an unprecedented 200,000 protests, despite the fact Members of Congress spoke almost daily on the adverse effects of the February regulations, the administration offered very little in the way of substantial revision in the May 1 proposals. One can only speculate as to the reasons for this lack of responsiveness to public outrage, but to me, at least, it is but another example of this administration's contempt for "people programs."

Since the administration has claimed that its authority for the restrictive regulations derives from the social services provisions of the Revenue Sharing Act, I know the Finance Committee will be taking a careful look at the present language so as to prevent unnecessarily restrictive interpretations in the future.

One of the major concerns in Iowa has been the so-called 90–10 provision, which limits Federal funds under the "potential" category, with certain exemptions, to 10 percent. I hope that the Finance Committee will consider changing this provision, perhaps by changing the exemption list or altering the percentage distribution in the use of Federal funds so as to assure that unwanted results do not occur, such as increased institutionalization of the elderly. In short, given the wide differences among our States as to which types of social services are most needed, I hope we can amend present law so as to give the States as much flexibility as possible in the use of the $2.5 billion we have already agreed upon as a ceiling.

Once again, Mr. President, I congratulate the Finance Committee on its timely action with regard to the postponement of the effective date of the May 1 regulations. I feel sure it will receive the overwhelming support of both the House and the Senate when it comes before us for action.

RETIREMENT OF BILL DICKINSON, EXECUTIVE EDITOR OF THE PHILADELPHIA BULLETIN

Mr. SCOTT of Pennsylvania. Mr. President, Bill Dickinson, a very good friend and a highly respected newsman, has retired as executive editor of the Philadelphia Bulletin. He has contributed much to journalism and has earned the great affection of all those who know him and who have worked with him over the years.

Mr. Dickinson received the 1973 Pennsylvania Distinguished Service Award as "the outstanding Pennsylvania editor who has given distinguished service in journalism to his community."

When I visited China last year, Premier Chou En-lai discussed with me the possibility of exchange of editors between our two countries. This was an idea that Bill Dickinson conceived of, brought to my attention, and has worked hard to promote, through his leadership in the American Society of Newspaper Editors. We have seen that idea come to fruition, as journalists from the United States, including Bill Dickinson, went to China. And last week Senator MANSFIELD and I were pleased to host a visiting delegation of editors from China.

I congratulate Bill on a long and distinguished career and wish him a happy retirement.

Mr. President, I ask unanimous consent to print in the RECORD, the following three articles about Mr. Dickinson from the May 13, 1973 Philadelphia Bulletin.

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

DICKINSON TO RECEIVE AWARD FROM EDITORS

William B. Dickinson, executive editor of The Evening and Sunday Bulletin, was named winner yesterday of the 1973 Pennsylvania Distinguished Service Award.

Dickinson will receive the award tonight in Harrisburg from G. Richard Dew, general manager of the Pennsylvania Newspaper Publishers Association at the annual Press Conference, a two-day seminar of editors and publishers.

Dickinson was the unanimous choice of the awards committee. He is being honored as an "outstanding Pennsylvania editor who has given distinguished service in journalism and to his community."

Dickinson came to The Bulletin in 1940 as news editor and moved through the ranks as Washington bureau chief, associate city editor, assistant managing editor and managing editor. He became executive editor in 1969.

He began his newspaper career as a reporter on his hometown newspaper, the Kansas City Star, where he worked for two years.

Between 1930 and 1949 he worked for the United Press, starting as bureau manager in Denver, then moving to Minneapolis and New York. He was UP business representative in Chicago, news editor in London, and served as a war correspondent and manager in the Southwest Pacific, and as foreign news editor.

Dickinson is a member of the advisory board on the Pulitzer Prizes, and was on the selecting committee for the Nieman Fellowships. He was a Nieman Fellow at Harvard University in 1939 and 1940.

Under his leadership, The Bulletin has won two Pulitzer Prizes and a National Headliner Public Service Award. He is a past president of the Associated Press Managing Editors Association, and a former director of the American Society of Newspaper Editors.

He and his wife, Joan, are the parents of a son and four daughters.

Dickinson plans to retire at the end of this month.

BILL DICKINSON RETIRES

As William B. Dickinson retires from the executive editorship of The Bulletin, it is not only his colleagues of this newspaper family who pay tribute to him.

Newsmen of the tristate area served by The Bulletin, and newsmen throughout the country who have recognized and repeatedly honored him, share the respect and affection in which we hold him.

He has earned that respect as a first-rate newsman. Even before he joined The Bulletin staff, almost a quarter-century ago, Bill Dickinson had made his mark as an accomplished professional with the United Press.

Serving at home and abroad, in peace and in war, he covered some of the great events of our times. He was present when the Japanese surrendered to General MacArthur aboard the battleship Missouri. As an editor he handled much of the story on the creation of the United Nations Charter.

He brought to the service of this newspaper and its readers great skill as a newspaperman. His experience, his insight, and his cool judgment have set a high standard of performance for us.

The impress of his influence, brought daily to bear, and always calmly exercised amid the rush and confusion of unfolding events, has contributed immeasurably to that fair and balanced presentation of the news which has been The Bulletin's aim.

To him and to the members of his accomplished family—a family steeped in the journalistic tradition—we wish the best in the years ahead. To a great gentleman and a great newsman, we say thanks from his larger family here at The Bulletin.

DICKINSON RETIRES AT THE BULLETIN; PACKARD NAMED EXECUTIVE EDITOR

William B. Dickinson, executive editor of The Evening and Sunday Bulletin, retires today.

Dickinson, 65—Midwest-born, widely traveled and a newsman all his working life—has been with The Bulletin 24 years, holding a succession of news executive positions.

While he was managing editor and executive editor. The Bulletin won consecutive Pulitzer Prizes in 1964 and 1965, and many other local and national journalistic awards.

SUCCESSOR IS NAMED

He turns over the paper's news operations to George R. Packard, 41, whose appointment as executive editor was announced today by Robert L. Taylor, president and publisher of The Bulletin.

Packard has been managing editor since 1969, when Dickinson moved up from that post to the executive editorship.

Dickinson, a native of Independence, Mo., worked as a reporter for the Kansas City Star before beginning 19 years' service with United Press, now United Press International.

He filled posts from Minneapolis, where he once was bureau manager, to the South Pacific, where he covered the U.S.' island-hopping military campaign in World War II.

KNEW GENERAL MAC ARTHUR

He became well acquainted with General Douglas MacArthur and flew with the Pacific commander from Okinawa to Tokyo to cover the surrender on the battleship Missouri.

His UP assignments also included the jobs of London news editor earlier in the war, and of foreign news editor in New York after the conflict.

Dickinson came to The Bulletin as news editor in 1949, headed its Washington bureau from 1953 to 1955, became assistant managing editor in 1956 and was named managing editor in 1959.

WROTE SERIES ON CHINA

When his duties have allowed, Dickinson has kept his hand in as reporter. Last year he wrote a series on his 23-day trip to the People's Republic of China. Yesterday he wrote of President Nixon's meeting with Chinese journalists.

Dickinson is a past president of the Associated Press Managing Editors Association. He won a Nieman Fellowship for a year's study at Harvard, was a director of the American Society of Newspaper Editors, and served on the American Committee of the International Press Institute.

More recently he has served on the boards which pass on both the Nieman grants and the Pulitzer Prizes.

REMARKS BY PUBLISHER

At a reception for Dickinson yesterday at the Barclay Hotel, Taylor, the publisher, said, "Bill Dickinson is recognized through the U.S. and the world as one of the very top newspaper editors, and we will miss him sorely. He has always championed enthusiastically The Bulletin's traditional standards of quality, fairness and integrity."

Dickinson and his wife, author Joan Younger Dickinson, live in center-city Philadelphia. They have a son, four daughters and five grandsons.

Packard, the new executive editor, was born in Philadelphia and grew up in Valley Forge. He did his first newspaper work young: at 16, as a high school editor, he worked in the composing room of the Concord (N.H.) Monitor.

AUTHORITY ON JAPAN

A Phi Beta Kappa Princeton graduate in 1954, he served as a second lieutenant in the army and wound up as an intelligence officer in Japan.

From 1958–60, he attended Tufts University's Fletcher School of Law and Diplomacy, then won a two-year Ford Foundation scholarship to study and write in Japan. In 1963 he got a Ph.D. in international relations from Fletcher and finished a book.

He spent the next two years in Japan as special assistant to U.S. Ambassador Edwin O. Reischauer, and did freelance writing for Atlantic Monthly, the New York Times Magazine and other publications.

JOINED BULLETIN IN 1967

Returning to the U.S. in 1965, he was chief diplomatic correspondent for Newsweek magazine in Washington, and also wrote a weekly column for the Phoenixville Daily Republican.

Joining The Bulletin in 1967, he became White House correspondent and covered the last year of the Johnson administration.

The following year he returned to Philadelphia, spent six months working on all the desks in the newsroom, and studying seven other newspapers' operations before becoming managing editor in May 1969.

The new executive editor, his wife, Minney Lloyd Packard, and their five sons and one daughter live in Villanova.

CITATION FROM CITY

(NOTE.—Mayor Rizzo attended the reception for William B. Dickinson, retiring executive editor of The Bulletin, held at the Barclay Hotel last night, and presented the following citation on behalf of the city of Philadelphia:)

In the recent history of Philadelphia, The Evening and Sunday Bulletin has been a consistently constructive force dedicated to the advancement of the highest ideals of publishing, community progress and public service. One of the guiding lights of good journalism at The Bulletin for nearly a quarter-century has been William B. Dickinson, under whose leadership The Bulletin won two Pulitzer Prizes and a National Headliner Public Service Award.

Prior to coming to Philadelphia in 1949, Mr. Dickinson held posts around the world as a newspaperman and as a war correspondent. At The Bulletin he has served as news editor, Washington bureau chief, assistant city editor, managing editor and, since 1969, as executive editor. Over the years he also has contributed creatively on behalf of the American Society of Newspaper Editors and the Associated Press Managing Editors Association.

Mr. Dickinson has received the Distinguished Service Award of the Pennsylvania Newspaper Publishers Association and was cited recently by the Philadelphia Public Relations Society as the "epitome of the professional newsman and concerned citizen." He is a member of the advisory board for the Pulitzer Prizes.

In the light of his many contributions to his profession, to government and to the community, and on the occasion of his retirement, it is most fitting that the City of Philadelphia extend this official citation to its longtime friend and mentor, William B. Dickinson.

A FIRSTHAND REPORT ON SOVIET EMIGRATION POLICY

Mr. JACKSON. Mr. President, Mr. Paul Sann, executive editor of the New York Post, spent May 3–9 in the Soviet Union. Focusing on the plight of Soviet Jewry, Mr. Sann visited Moscow and Leningrad. On his return he prepared a series of articles which provide a realistic picture of Soviet emigration policy in general and also give revealing and dramatic detail of individual cases. This series of articles was printed in the New York Post.

In connection with our East-West trade and freedom of emigration amendment, which would deny the extension of most-favored-nation tariff treatment and U.S. Government credits to Communist nations which deny their citizens the right or opportunity to emigrate, I believe these articles will be of interest to Members of Congress.

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

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

[From the New York Post, May 21, 1973]

THE SOVIETS AND THE JEWS

(By Paul Sann)

ARTICLE I: WHO GETS THE VISA?

Dr. Benjamin Levich, the world-famous Russian physicist, received a letter a couple of weeks ago from Moscow's Minister of Communications informing him that if his home phone ever was used again for any purpose "inimical to the interests of the Soviet Union" the service would be cut off.

The professor ran a hand over his thinning gray hair, dropped the letter on the cluttered desk in his tiny living room, and called his wife in from the kitchen.

"More bad news, Tatiana," he said, pointing to the flimsy paper. Mrs. Levich read the letter and then they both enjoyed a somewhat restrained laugh.

What was so funny?

The Levich phone, complete with the KGB tap that went on it in March, 1972, when they applied for exit visas to go and live in Israel, had been "out of order" since August, 1972. Now it sits atop a high bookcase, all but out of the mild-mannered 56-year-old scientist's reach.

Like that precious visa.

Along with Prof. Alexander Lerner, a colleague in the Academy of Sciences, Ben Levich is one of the more glittering personalities in the raging open battle between the Soviet government and some 223 Jewish families among the four or five hundred professional men and women who have been denied visas for a variety of unwritten reasons ranging from "state security" to such frivolous answers as "we don't have to tell you why we can't let you go to Israel."

The Soviet's selective emigration policy, withholding exit permits from several hundred highly educated Moscow, Leningrad and Kiev Jews while letting out as many as 2,500 a month from such areas as the Baltic states and Georgia, has had repercussions all the way from the Kremlin to the White House, even bearing on Leonid Brezhnev's scheduled June visit to President Nixon.

The issue figured somewhere in Henry Kissinger's 25 hours of preparatory talks with Brezhnev in Moscow two weeks ago and John Lindsay, as Mayor of a city with two million Jews, almost as many as the Soviet itself lists, talked to Premier Kosygin about it at the same time. It is very much alive in Congress as well, because the fate of the Soviet-American trade agreement may eventually hinge on it.

And it is nowhere near any kind of resolution, despite the impression that was floated last April 19 when Nixon summoned a group of Jewish leaders to Washington to tell them that he had prevailed upon the Russians to drop the "education" tax which had been put in the path of the departing professional people.

That head tax—meant to repay the Soviet for one's free education and running in some reported cases as high as $60,000—is indeed suspended.

But when I was in Moscow and Leningrad with John Lindsay I found that the shelving of the tax hasn't made any difference at all because the Jews it was initially aimed at aren't getting those exit visas anyway.

All they're getting are the same answers they got before—or no answers at all—while they're being stripped of their high posts and in effect reduced to non-persons whose only remaining close associates are the secret police trailing in their footsteps and wired in to their homes (how else would the government know that Ben Levich was saying naughty things about Soviet emigration policy?).

The much-heralded Brezhnev-Nixon compact had a twofold purpose:

1—It was meant to still the clamor in the American Jewish community over the plight of the Soviet Jews and hopefully create a warmer climate for the Brezhnev visit in mid-June and, even more critically for the long run—

2—Put a dent in the strong backing in both houses for the amendment through which Sen. Jackson (D-Wash.) is seeking to force the Soviet Union to open its doors a little wider as a condition of winning the "most favored nation" status it needs in that trade bill.

Whatever its effect on this side of the water, I found nothing changed—nothing—for the 29 Jews I was able to talk to over there (with the not-so-secret police one step behind me all the way). Nor did Lindsay in the midnight session he had with seven of them on his last night in Moscow with the acquiescence of his Soviet hosts.

What it adds up to is that there is no tax beyond the normal 900-ruble bite ($1170) for anybody who wants to buy back his Soviet citizenship—and no visa either if you happen to be among those the Kremlin has in mind when it talks about the "brain drain" a looser emigration policy would produce.

The "brain drain" bit is one of the more curious items in this deeply tragic and potentially dangerous situation, because it has in fact occurred even with the tight rein around the necks of the educated Jews. Without exception, such outstanding scientists as Levich and Lerner, as well as scores of others on less elevated level, are no longer being allowed to use their brains in meaningful purposes for the state in any case.

When Levich applied for his visa he was head of the Dept. of Chemical Hydrodynamics at Moscow University and chief of the Academy of Sciences Theoretical Dept. of Electrochemistry. He lost his chair at the university immediately and later was demoted to a mere hired hand in his own department in the AOS, working alongside his own former students.

The day before I left Moscow the Academy initiated what may be a move—unprecedented in the case of active members—to throw Levich out and thus deprive him of his one remaining post.

Prof. Lerner, like Levich, held dual posts in the University and the Academy when he applied for visas for his family on Nov. 5, 1971. The University fired him 10 days later and by Dec. 1 he was out of the AOS as well; he left there when they took away the four laboratories he headed in the Institute of Controls and assigned him to do some elementary abstracts in cybernetics—the very field which established his renown in the world scientific community.

Levich's income has dropped from 750 rubles a month to 400 ($520), Lerner's from a towering 1000 rubles to zero, while the families of both men also paid dearly once they looked toward Israel.

Yevgeny Levich, an astrophysicist who won his doctorate five years ago at the age of 20, the youngest in Soviet history, was killing time on a do-nothing 140-ruble job in the AOS's Institute of Chemistry and Physics ("I may continue my work as an astronomer," the handsome, wafer-thin youth told me, "but without a telescope") when I talked to him in Moscow.

But that was two weeks ago.

Last Wednesday, enroute to a hospital, Yevgeny was picked up by the KGB—and on Thursday he was on the way to the Baikal military district on the Soviet-Mongolian border (yes, Siberia) as a private in the Army.

I had to wonder about that.

Yevgeny and his parents told me that he had certification from Moscow Central Hospital that he was suffering from a nonmalignant tumor of the rectum and diverticulitis, as well as a suspected brain tumor.

Originally, the young physicist, who is married, was called up as an Army lieutenant after his visa application was filed. He told me that when he protested that the call-up was illegal, since he had never served in the Army, he was informed that he would be drafted as a private—despite any medical claim.

The older son of Dr. Levich, Alexander, 28, a corrosion engineer, lost his job in the Moscow Institute of Planning and Sewage a month after he put in for his visa.

Lerner's son Vladimir, 28, a systems engineer in the AOS while working on his doctorate, was dropped to a minor service bureau job, while the professor's married daughter Sonya, 24, a mathematician doing graduate work at the AOS, has lost her job altogether.

In fairness to the Soviet authorities, it must be noted that the heads of both families have done classified work in their time, Levich 23 years ago in nuclear physics and Lerner 10 years ago in the automation of power stations.

Levich says that what he did is entirely outmoded now. Lerner says the fruits of his researches are in use today in power plants everywhere. Both scientists have lectured widely in the U. S. and Europe without encountering any visa problems with the Soviets along the way.

Levich says that when he asked why his exit visa had been denied he was told on one occasion that "we can't let you work in a fascist country like Israel or the U.S.A." and on another that it was because of his work, however long ago, in nuclear physics.

Lerner has had at least four different oral answers that he can recall from OVIR (the Office for Visas and Registration):

"No leading Soviet scientists can be given as a gift to such a poor country as Israel."

"It is not in the interest of the Soviet Union."

"There is no need to give you a reason. You must know it."

"Security."

To the mild, soft-spoken Levich, there's something of Catch-22 in the security issue.

"Everybody here knows something," he says, while his wife, a translator when she was permitted to work, patches up his English as he goes along, "because here *everybody* is in the government, so everybody has secrets, not like in your country. But what is the secret I know? I asked the government and they couldn't tell me.

"And what do I know that hasn't been published all over the world? I have five monographs and 300 papers—everything I know, all published. What can I tell them in Israel that they don't already have?"

The chunkier Lerner, somehow in quiet good humor for all the travail of the past two years, put it another way.

"What is the reason to keep us here now?" he says. "We're living in a ghetto—not a Jewish district but a ghetto in reality, a ghetto in our relations with others. We have no contact except with ourselves. Our colleagues won't talk to us because they are afraid. We are untouchables now, so it's nonsense to keep us here when the danger for national security is equal to zero if we left the Soviet Union."

Scientists around the world, including a scattering of Nobel Prize winners, have appealed to the Soviets on behalf of Levich and Lerner without any response.

In Levich's case, the clamor in the scientific community may prove costly. When he asked the board in the Academy of Sciences why his membership suddenly appeared to be in jeopardy he was told that he had caused embarrassment to the Soviet Union when he failed to disavow the pleas made in his behalf.

"I don't know how to answer that," he told me later that night, "so I went home."

THE SOVIETS AND THE JEWS

ARTICLE II: WHAT IT'S ALL ABOUT

How serious is the problem of the Russian Jews who want to go to Israel and start over?

Well, the other Russians—in the government, that is—will tell you that there is no problem at all. They say there are nothing more than minimal restrictions on exit visas for Jews, and they can produce statistics which make that statement look like Biblical truth.

Their figures show that 28,000 Jews were permitted to emigrate last year—and that is a modest count at best. The real figure is somewhere between 31,000 and 32,000. The Soviets very likely understate it to soothe the passions of their allies in the Middle East, since the Arabs tend to feel that there are already too many Jews in that part of the world.

In any case, the emigration rate, in Soviet terms, continues to run rather high—around 2500 per month or so since last January, topped by 2820 last month.

Stay with that last figure for a moment.

The question is, 2820 out of how many who want to go?

American Jewish organizations say that there are 110,000 visa applications stacked up in the Soviet, all supported by the required affidavits from relatives in Israel.

If that is so, and there is no way to check it in Moscow, then one has to wonder about this statement made last Dec. 29 to the Novosti Press Agency by Boris T. Shumilin, the USSR's Deputy Minister of the Interior:

"Bourgeois propaganda is making noises that citizens of Jewish nationality willing to go to Israel are allegedly not let out of the Soviet Union. I can say that in 1972 permission to go was given to 95.5 per cent of the people of Jewish nationality who applied to go to Israel. The other applications are being considered. Restrictions apply only to those who have a certain military training or by nature of their work are connected with jobs affecting state interests."

Shumilin, a key man in the emigration battle, noted at the same time that "hundreds of former Soviet citizens who left for Israel at different times and who came across the true Zionist 'paradise' there, sent in applications for permission to return to the Soviet Union."

To nail that down, the Minister listed actual names: Y. Gait, I. Goldblat and I. Fleisher "and others."

There surely were "others," but the Soviets and Israel will never agree on the real figures in the turnaround cases.

The Israelis insist that less than 1 per cent of the 60,000 Jews who arrived from Russia in the past three years eventually left. They say that in the past two years no more than 120 or 130 headed back to the Soviet. Israel does concede at the same time that 303 Jews with 1972 exit visas never arrived there at all, electing to settle in the U.S. or other Western nations.

On the emigration issue itself, actually, the record doesn't speak so badly for the Soviet.

It doesn't speak so badly, that is, for a nation steeped in anti-Semitism going back to the Czars, only a generation or so away from the virulent anti-Semitism of the Stalin era, occasionally peddling the anti-Semitic Protocols of Zion under its own imprimatur and still keeping the doors slammed on Jewish schools, Jewish books, Jewish newspapers (except for one in Jewish Birobijan), Jewish plays and Jewish films.

Until the Sixties drew to a close, remember, the Russians would not let more than a handful of Jews pull up stakes and settle in Israel, but 3000 Jews were let out in 1969 and the figure mounted to 14,000 in 1971—and then it more than doubled in the two years after that.

Now the issue turns.

It is not just a matter of how many Jews are getting out, or how fast, or how hard it is (it takes the patience of Job and miles of Red tape) but *which* Jews.

The modern Exodus from Russia, dating back to Israel's victory over the Arabs in the Six Day War of 1967, evidently has been highly selective from the start. The great majority of the emigrants up to now have come from such areas as the Baltic states and Georgia, confronting Israel with serious problems in assimilation. The Israelis say, for example, that 54 per cent of the Soviet Jews still speak only Russian a year after they have arrived.

On the other hand, the Israeli headcount shows only a trickle of migration from Moscow (815 in 1972 out of a population of 500,000 Jews) and Leningrad (520 out of more than 300,000). The figures are also said to be very low for the other major centers of Jewish population in the Soviet, such as Kiev and Odessa.

For their part, the Soviets say that no distinction whatever is made, although the count clearly indicates that the more culturally advanced Jews, especially those with the highest training and skills, are being held out of the exodus with some care. For Israel, that's where the catch is.

The Israelis, from hard experience in recent years, understand quite clearly what the Kremlin means when it talks about the "brain drain" inherent in the current migration. They keep finding out that the Soviet Union is indeed intent on keeping as many of its educated Jews as it can—even while stripping them of their jobs in the universities and elsewhere as a penalty for asking for exit visas.

Soviet officials concede none of this.

While Jewish sources on this side of the water say that the 60,000 permitted to leave so far came off a list of 170,000 applicants, there are people in the Soviet government who will go beyond the Shumilin figure and tell you that not 95.5 but 98 per cent of all the Jews who want to go are getting that precious piece of paper with no trouble at all.

And there are others who, with a surprising touch of candor, will tell you that everything would be even simpler for the Soviet Jews if the situation in the Middle East could get solved. The meaning of that statement is crystal clear: The Soviet Union has to go slow on emigration to Israel because the Arabs don't want any more Jews in uniform than the Israelis can now muster.

In this respect, the Russians are in a curious position indeed. On the one hand, the Kremlin is shoveling the most sophisticated weapons of war into the Middle East in never-ending quantities. On the other, it is contributing somewhat handily to a manpower buildup which the Israelis must indeed relish. There are youth of fighting age in the exodus; make no mistake about it.

Thus the Soviet Union is sending soldiers to Israel and bullets to the Arabs who are sworn to annihilate the Jewish State. And the U.S., for its part, is sending Phantom Jets to Israel and exerting pressure on the Russians, in effect, to send the Israelis more kids who might be taught to fly them.

It would be a nice piece of irony if it didn't have such ominous overtones for the future.

There is one delicate area in the present controversy, among many others, which the Soviet Union does not care to dwell on openly, and that is the impact of the current Jewish emigration on the other nationalities there.

U.S. sources say that the Russians openly fear that a truly unfettered emigration policy, with no roadblocks and no built-in traps, might kick off a much larger exodus—Ukrainians, Lithuanians, Georgians, Arme-

nians, even some Russians. They point out that only half of the Soviet Union's 250 million people are ethnic Russians and Russian-speaking.

So you are asked to believe that if the Soviet Union lets out too many of its Jews (listed at 2.1 million in the 1970 census but thought to be closer to three million) then a large part of the USSR might empty out overnight. That's a rather hard concept to swallow, especially since over the years the Russians have permitted other ethnic groups—Germans on the Volga, for example—to go back to the lands of their fathers. This policy is presumably still in effect.

The larger question, of course, is what the Soviet Union is going to do to still the current clamor, which centers mainly around the Jews of Moscow and Leningrad. Mayor Lindsay invested considerable time in trying to find that out when he was over there and couldn't come up with any hard answers, although his sessions with Premier Kosygin, Shumilin and others sent him away with the feeling that the Russians might let the bars down a little more after a while.

One thing is certain:

The Russians cannot afford to let the pending Soviet-American trade agreement founder on the emigration issue. They imported $500 million in U.S. goods last year (apart from the wheat deal) and sold us only $93 million worth of exports. They need a better balance of trade and they need the "most-favored nation" status which is enjoyed by some of the other Communist nations, such as Tito's Yugoslavia.

But they have a whale of a problem on Capitol Hill.

The Jackson amendment, endorsed by 77 Senators and 281 members of the House on the last count, would withhold trade concessions from the USSR unless the President could certify every six months that emigration from the Soviet is continuing without hindrance.

The heavy backing for the Jackson amendment evidently had a good deal to do with the Soviet Union's recent suspension of the prohibitive "education" tax it began to impose last August on Jews who applied for visas.

Whether that move in itself will douse the flames in Congress is something else. Many of Sen. Jackson's most influential supporters in organized Jewry want to see the Soviets go a good deal further: they want the Russian door kicked open wide enough to break down the current selective emigration practices altogether.

Seymour Graubard, the New York attorney who is national chairman of the Anti-Defamation League of B'nai B'rith, went to Moscow with Mayor Lindsay and did not come away with any notion that the Soviet Union was about to change its ways appreciably. His report to the other Jewish organizations may be on the dim side; if it is, there will continue to be lots of heat behind the Jackson amendment.

And that isn't all.

Even more melancholy from the point of view of the Administration, the ADL and the National Conference on Soviet Jewry and the other leading Jewish groups might elect to generate a rather frosty welcome for Leonid Brezhnev, the Soviet party secretary, when he comes to these shores next month to repay President Nixon's visit of last spring.

The last thing the White House—not to mention Brezhnev—wants to see is a show of unfriendliness in public places in a time of conciliation (detente is the fancier word) between the two great powers.

It makes the emigration issue more explosive than it seemed.

THE SOVIETS AND THE JEWS

ARTICLE III: THE VISA THAT GOT AWAY

Call them militants, activists, dissenters, anything you want (some of them have done 10- and 15-day prison terms as "hooligans"). There are at least 223 families like that in Moscow and Leningrad openly battling the Soviet government for exit visas, and perhaps twice that number behind them—and thousands more in the wings, waiting to see how it comes out.

There's nothing furtive at all about those 223 families. They're both visible and vocal and they don't even care about the ever-present snoops from the KGB. They'll make their case anywhere, even on Soviet TV if anybody will show up with a camera.

The Khenkins are one of those families—Kirill, 57, Paris-educated linguist, philologist, reporter-commentator on Radio Moscow from 1945 to 1965, later a freelance journalist and translator, and his wife Irene, 35, who used to make TV documentaries over there and now can't get invited to a screening of her last one.

The most interesting question about this couple, and one they can't answer themselves, is what they're doing in Moscow today in the first place.

The Khenkins, you see, applied for their visas last Sept. 10, got them with uncommon speed on Nov. 20, paid their 1800 rubles in tax-and-exit fees ($2340), and then turned in their identity documents, as required, in exchange for a piece of paper that said they were no longer citizens of the Soviet Union because they were going to resettle in Israel.

In the two weeks after Nov. 20, the Khenkins sold off most of the furniture in their unusually large apartment in the October District on the Moscow Embankment—the poet Yevtushenko and many other artists and writers live in the same complex—as well as most of their books, paintings and winter clothes.

Then they bought tickets for a Dec. 4 Aeroflot flight to Vienna for the El Al connection to Tel Aviv.

On Dec. 2 the Office of Visas and Registration (OVIR) called Khenkin in and told him that his visa had been canceled. "All they said was that they had changed their mind. I asked why and I was told that "we don't have to give you any explanation.'"

Since then, the way the stocky Khenkin tells the story, it has been pure Kafka all the way, or perhaps made-in-Moscow blend of Kafka and Catch-22.

Despairing of any kind of answer from the unfriendly types in OVIR after four to five more tries, Khenkin proceeded to go all the way up and down the line in the Soviet hierarchy. Citing his long and untarnished service to the USSR, including frontline action as a Red Army private in World War II, Khenkin first tried to lay the matter before the Presidium of the Supreme Soviet through the office of its chairman, Nikolai V. Podgorny, the Soviet President.

When nothing happened in that quarter, he took his case to the Soviet department more immediately involved in visa problems, the Ministry of the Interior. This was another zero, so Khenkin sought to put the matter before the man at the very top of the Soviet pyramid, Leonid Brezhnev, the party secretary.

"What I wrote to Mr. Brezhnev," Khenkin told me, "is that he was the highest moral authority in the Soviet Union as the general secretary of the party and that ours was a case involving the highest morality. I drew attention to the way our lives were being ruined and to the absolutely desperate position we were in.

"A special decision of the Supreme Soviet says that any petition to the government must be answered within 30 days but I wrote to Mr. Brezhnev in January and heard nothing—not a word—until March 7.

"But that wasn't really an answer to what I had written. It was just a call from the local police major to come in and see him. I was sick in bed so Irene went herself, and what did the major tell her? He said, 'You have no visa so you have to bring back the document we gave you (the one that said they weren't citizens any more) and take back your identity papers.'

"We refused to do this, naturally, because there is no law in the Soviet that we know of to enable the government to restore citizenship once it has been taken away, so our papers are still in the safe in the police station and we are here. Look at the way we're living."

We were in the bedroom then and the furnishings consisted of a king-sized mattress, a rickety little pigeonhole desk and an ancient, collapsing Morris chair the Khenkins wouldn't even have tried to palm off on the man from OVIR. In the other room, just as spacious, there was a larger desk (not in much better shape), a badly beat-up sofa, another broken-down Morris chair, a bench and some folding chairs borrowed from neighbors because after a while 16 other Moscow Jews, all on the visa line, would filter in to talk to the reporter from the U.S.

In the foyer, there was more stark evidence of the Khenkins' plight—two fully packed steamer trunks and a large crate that was meant to carry their huge black Chow to Israel.

I asked the deeply intense Khenkin why he thought the visa had been withdrawn.

"How would I know?" he said. "I never did any classified work here. I never knew any of the secrets of the Soviet Union. Neither did my wife. Why do they want to keep us here? Well, we see the handwriting on the wall. The meaning is clear for all of us involved in this struggle.

"Perhaps they want to build a conspiracy case toward a big Jewish trial—maybe not for all of us but for some of us. It's so easy to link us together. There have been other trials already—in Minski, in Vilna, in Riga, even in Leningrad. There are 40 of us in prison, maybe 45, not less, but not in Moscow. Moscow is under Western eyes, but they can try us anywhere. All they have to do is charge us with the circulation of false information about the Soviet Union, or derogation of the Soviet, even high treason.

"You know," he went on, "they can make any case they want. They know who to pick on and when to pick, maybe after Brezhnev's visit to Nixon is over and the Jackson amendment in your Congress is out of the way and they have their trade bill. That's why I stopped worrying about not having any winter clothes any more. We will not have to walk the Moscow streets through another winter. Either we will get out or we will be inside—in prison. I hate to think what will happen."

I made pictures of the couple at the window in the bedroom and while I was focusing my camera Mrs. Khenkin motioned to her husband and he in turn pointed to a short man in a dark suit coming down the stairs of a playground across the street.

"KGB," Khenkin said, not without a touch of cheer. "They know we're here—where can we go?—but they never rest."

I saw Khenkin again four nights later in considerably more splendid surroundings—in the suite in the Hotel Sovetskaya which the Soviet sets aside for its visiting VIPs. John Lindsay, guest of Moscows Mayor Vladimir Promyslov, had the suite then, and Promyslov had insisted that if he was intent upon talking to the embattled Moscow Jews it might as well be in the hotel.

In shirt sleeves and an open white collar somewhat wilted at the end of a long day that included a tour of the Kremlin, a formal luncheon at the U. S. Embassy, a meeting on the Jewish problem with Deputy Minister of Interior Boris T. Shumilin, a hastily summoned audience with Premier Kosygin and an elaborate farewell dinner staged by his hosts, Lindsay talked to Khenkin and six others for 2½ hours.

"Can you tell me why you're kept here?"

he asked Khenkin toward 1 o'clock in the morning.

"Why?" the writer replied. "Because we are a certain group—a warning, an intimidating example to any others who might apply for exit visas. Keeping us here tells those others not to apply because it's too much trouble. There can't possibly be any other reason for keeping us. We are useless—of no possible value to the Soviet Union any more."

The Mayor turned to Yevgeny Levich, the young astrophysicist, and asked him what reason he had been given for the refusal of a visa.

"Two reasons," said Yevgeny, who was born on the same day as the State of Israel itself, May 14, 1948. "One was that I have a high information potential in the field of the stars—yea, the stars—and the other that the Soviet doesn't want to split up any families."

"But your whole family applied?" the Mayor said.

"The whole family," said Yevgeny, who was drafted into the Red Army six days later and sent to a post in Siberia despite very serious medical claims. "Father, mother, brother, even our wives, of course."

Lindsay swung around to Dr. Benjamin Levich, the renowned theoretical physicist, on his right around the crowded table, and put the original question to him.

"Secrets," Levich said. "Everything is a secret here. In your country everyone knows about national security, here it is known only to the government. Here everybody in science—even the humanitarian sciences—needs clearance to read the New York Times or even the Bible. If you obtain permission to read one of those in a library here you are involved in secrecy, so every one of us can be detained."

Levich, 57, has lost his chair at Moscow University as well as the department he headed in the Soviet Academy of Sciences and is facing eviction from the Academy on top of that, so Lindsay asked why he has put such a prestigious career in jeopardy at this stage of his life.

His English imperfect, the little professor asked his blond wife, Tatiana, to explain the question. Then, eyes gleaming, he answered the Mayor.

"You understand," he said, "that the Jews here are in a very special position. It is the feel of the homeland—Israel, a new country to help build. Now it is possible to have feelings of human rights in the Soviet Union—and the first freedom is to choose the place where you can live. We have chosen Israel . . ."

Mrs. Levich broke in.

"So our children will be no worse off than anybody else, Mr. Mayor," she said "Not second-class citizens or third-class citizens but like everybody else."

Levich leaned forward toward Lindsay and went on, slowly.

"It is not easy at my age to have lost the results of my life," he said, "but the person behaves as in his heart, not his physical direction. It is difficult to explain such kind of feeling, but this is a real necessity for me—to follow my heart. It is my moral duty."

There seemed to be more, and Lindsay waited.

"Everybody has some moment," the professor said after a while. "This is our moment." Then he leaned back.

The Mayor poured two vodkas out of the stock furnished by his Moscow hosts. He wanted to have one with that brave man.

THE SOVIETS AND THE JEWS

ARTICLE IV: FOUR MORE ON THE LINE

Lev Libov is a laborer in a Moscow plant that makes small river boats. The job pays 70 rubles a month, $93 or so. That's about as far down the scale as you can get over there, and it's nowhere near enough to make ends meet for Libov, his pretty brunette wife Natalya and their son Dan, who is 9.

Before the bearded Libov caught on in the boat plant he had held some other jobs that appeared to require more muscle than could possibly reside in his small, rail-thin frame. He's been a repairman working on apartment doors (80 rubles), a plumber (70 rubles, and he freely admits that his talents in that area didn't merit much more), and a cargo-weigher in a factory (90 rubles, but that was outdoor work in below-zero winter).

None of this would be especially noteworthy—except that this man has to be one of the very few people in the Soviet's work force of 132 million who ever held jobs like that and had a "Dr." in front of his name.

Lev Libov, who is 32, has a Ph.D. in metallurgy.

He was a sector chief in the State Institute of Rare Metals (300 rubles a month) until a couple of years ago, and he is beyond doubt the only laborer-plumber-repairman-cargo weigher in the USSR who has had 20 papers printed in scientific journals.

For Libov, the downhill journey began in July, 1971, when he applied for an exit visa because he wanted to fulfill a long-time dream and resettle his family in Israel.

"There was a meeting in the plant immediately," Libov told me in his Moscow apartment, "and three days later the director called me to his office and said I was dismissed on the grounds [Libov paused here to consult a Russian-English dictionary in a bookcase across the room] of redundancy and because the other men didn't want to work with me anymore. He said I could stay until I trained someone else to be sector chief.

"On the 40th day I was called in again and told that I was fired, that it was a reduction of the work force. I told them I would work for less money, not to be a sector chief, just to work. They said to me I could work in the factory, but not in my field, for 90 rubles. I cannot live on this money. That was my first reaction and I refused, but the next day I changed my mind. I said I would take the job but the director said it was too late."

Libov says it took him three months to find another job, the one slinging cargo, but he had to quit after five months because he couldn't take the bone-chilling cold. The plumbing bit came next but by that time Libov had joined the ranks of the Jewish activists in the visa battle and he was about to acquire an introduction to the Soviet prison system.

He says that five policemen dropped in on him before dawn on May 21, 1972, and hauled him away to a prison outside Moscow without pausing to tell his wife where he was going. He says it was part of a general roundup of militants—and potential demonstrators—in advance of President Nixon's visit to Moscow.

Out after 10 days, Libov got the repair job but then in November he was arrested during a sit-in staged in the Central Telegraph Building to protest the continued imprisonment of 40 other Jews caught up in the emigration fight. He did two weeks on that one and presently was picked up in another KGB sweep apparently intended to get the activist types off the broad and spotless Moscow streets before last December's celebration of the Soviet Union's 50th anniversary. He says he did 13 days this time and couldn't get the repairman's job back when he came out.

"They said I was fired for absenteeism," he told me, smiling wanly while his wife clasped his shoulders, "and I had to admit I was absent. After all, I wasn't even in Moscow. The prison where they took me is very far from here. "Of course," he went on, "I can keep getting jobs—but not in my profession."

While the State Institute of Rare Metals could have the sound of something super-secret, Libov says that nothing he ever did, there or on the way up, had anything to do with classified matters. He says that his specialty was transistors, diodes and semiconductors used in television sets made for commercial sale.

"My work was open, not secret," he says. "I have no secrets to take to Israel."

Why Israel?

Libov was in Moscow's Great (and only) Synagogue on the night of May 14, 1948, when they lowered a clapboard sign from the ceiling proclaiming the birth of the new nation in the Middle East.

"That was the first time I knew of the Jewish State," he told me. "I was 7 years old then but I wanted to go to Israel. Nobody would dare to ask in those days but after Stalin died it changed, and then after the Six Day War they began to accept applications for Israel from those who had mothers, fathers or children there. And later you could apply if you had other relatives there. My father is here, on a pension, but I have an aunt and uncle in Israel, so I applied and here I am—making small boats."

Boris Ainbinder, 33, and chunky, was one of three men who slipped into chairs around the fragile table in the band-box Libov living room while we were talking. A physicist out of Moscow University, the bearded Ainbinder was a fellow in the Institute of Physical Chemistry in the Soviet Academy of Sciences until he applied for visas for himself, his wife Marianna and their son, Jacob, 2, back in December, 1971.

"I never had any access to classified materials," he told me. "I was a theoretician, a specialist in the field of solids. I have never worked in applied science but the director of the Institute called me in and said I couldn't work there if I wanted to leave for Israel. I said I couldn't see any connection but he repeated his opinion."

That opinion, as Ainbinder tells it, enjoyed rather wide support in the Soviet capital.

"The chief of the passport office told me in February, 1972, that I was too valuable a specialist to be supplied to 'such a fascist state as Israel,' " he said, "but I have made 15 requests to labor agencies and they tell me there are no jobs even though we all know that physicists are very much in demand in this country. How valuable can I be to the Soviet Union if there's no work for me in my field? Nobody can give me an answer to that."

Ainbinder is another activist who has done time since his fall from grace. He shared a cell with Libov after one of those forced journeys out of Moscow. He says he made 135 rubles a month in the Academy and has since supported himself tutoring in physics and math.

"On the side," he went on, "I teach Hebrew, although when I registered for that in the tax office I was told that I had no right to teach that language because it is not part of any official program here, it's not taught in the Soviet schools. So I teach it anyway. I just don't pay the tax because they tell me I'm not supposed to teach Hebrew. I don't know that I'm breaking any law by doing it."

Victor Polsky, another scientist, is also tutoring in physics, math and Hebrew, but he had a different experience than Ainbinder with the language bit. He said he had no trouble getting permission to teach Hebrew in 1971 and 1972 but that it was withdrawn last January when the Ministry of Education said it could not continue to sanction it.

Polsky, 43 and, like Libov and Ainbinder, burdened with three arrests, is a physicist and engineer who was a 350-ruble-per-month laboratory chief in the Soviet Institute of Introscopy until he put in for exit visas for himself, his wife Helen and his daughter, Marina, 15, in November, 1970. He said he was

demoted to a junior fellow then, down to 170 rubles, and asked for a hearing before the responsible Communist Party committee.

"That wasn't such a good idea," Polsky said. "I pleaded my case for two hours and then I was told to leave. But first my boss in the Institute said to me, 'You can't even work in this place as a night watchman now, but you can go out and look for a job as a bus driver.'

"That's not the worst job here. I think I could make 200 rubles—only I never drove a bus. My s-eciality in the Institute was working on X-ray equipment for medicine and civilian industry."

Like many of the others, Polsky's income at present is supplemented by handouts from what is loosely described as "relatives" or "friends" in such places as Israel, the U.S. and England. It is a good assumption that the "friends" in these instances often have some connection with organized Jewry in the U.S., but the Soviet authorities have done nothing to interfere with the flow of postal orders to the Jews on the spreading visa line, even while fine-combing their mail rather thoroughly.

Dr. Vladimir Abramovitch, known under the nickname of "Mash" in and out of Soviet scientific circles, was chief of the Acadamy of Science's Central Economic-Mathematical Institute (500 rubles) until he applied for his marching papers in April, 1972. He had held the post for nine years and had 25 men working under him, he says, when he was demoted to a place on the staff at about half pay.

Since that time, he says, the Soviet authorities have stopped publication of his latest book on economics after removing his name from an earlier work he had co-authored and from two co-authored papers. As in the cases of the even more renowned Dr. Benjamin Levich and Prof. Alexander Lerner, some Nobel Prize winners have joined in the vain appeal to the Soviet on his behalf.

Abramovitch, who is 47 and has a wife, Sima, and a 15-year-old son, Victor, was one of those stashed away by the KGB for 10 days before the big 50th anniversary party. He says that has been his only formal brush with the men in the dark suits.

The wavy-haired, stocky professor was head of the planning office in the Soviet fish industry before moving on to the Academy, where he says his work had to do with long range planning in refrigeration, agriculture and food processing, not to mention some researches in nitrogen fertilizer. He says that while he has been told twice that he can't get an exit visa because of security considerations, "I never saw a secret in my life."

Oh, yes, about that staff job Abramovitch was dumped into after he applied for the exit visa: he lost it a week ago Monday, eight days after I talked to him.

THE SOVIETS AND THE JEWS

ARTICLE V: THE MAN ON THE WINDOWSILL

It is on Leningrad's Nevsky Prospekt, No. 98, and the KGB men who trailed you there in the chill, windswept rain, sitting in their Volga, a short distance back, seem mildly amused that you're having so much trouble finding it.

But you do find it and you push open the huge double door with some effort and you're in a 30-foot foyer, facing a broad, sweeping stairway with scarred banisters and marble steps that are chipped and worn and a bit hazardous. They say it was one of the Tolstoy mansions in Czarist times but as you climb the stairs, assailed by the odor of cooking and other things, you know you are in a communal tenement in Leningrad that makes the seediest welfare hotel in your own city seem almost respectable.

On the top floor, on your left in the half light, you find Apartment 7, which has a whole array of nameplates along its battered door because seven families live inside, sharing a single kitchen and a toilet you're never going to see in House and Garden. One of the name plates says Tarassuk, and that one's pretty imposing, not only in the Soviet Union but elsewhere.

Dr. Leonid Tarassuk was curator of European Arms and Armor in Leningrad's showpiece Hermitage Museum until 11 months ago.

Anxious to resettle in Israel since its very birth, Tarassuk applied for an exit visa on April 17, 1972, whereupon the directors of the Hermitage gave him 60 days to clear the inventory on the 10,000 pieces in that priceless arms collection and break in some subordinates (he says there was no other specialist of his rank to step into the post).

Tarassuk, who is 48 and not at all reluctant about lifting up his T-neck shirt to exhibit a chest caved in by shell fragments in the Red Army's campaign in Czechoslovakia late in World War II, is living in that less-than-luxurious Nevsky Prospekt flat to look after his 68-year-old mother, invalided by arthritis. His wife Nina, 34, and their daughters, Irene, 7, and Ilia, 2, are staying with her mother and sister in two common rooms some distance away. Tarassuk spends two nights a week with them while a neighbor (there's no shortage in Apartment 7) looks after his mother.

Along with Valery Panov, the 33-year-old dancing star who was thrown out of the Kirov Ballet after he applied for an exit visa for Israel in April, 1972, Tarassuk is at the center of a small band of Leningrad Jews in open warfare with the Soviet regime.

Tarassuk calls them *"refusniks,"* but the secret police evidently don't see the joke. Panov, in particular, has been kept pretty busy answering official summonses for speaking out too freely about his plight. The KGB had him in again only a week ago today to read him some newly-promulgated law evidently intended to deal with the people who have been saying bad things about the Soviet on the emigration issue. Panov's wife, by the way, hasn't escape the Kirov's wrath either; she was initially fired from the ballet and then reinstated—as its lowest-paid member.

Two others in the Leningrad group—Polina Epelman, a pretty pharmacist whose husband is in Israel, and Boris Rubinstein, a scientist—were in the one-room Tarassuk flat when I came in with two members of John Lindsay's touring party, Seymour Graubard, national chairman of the Anti-Defamation League of B'nai B'rith, and Jay L. Kriegel, the Mayor's special counsel.

The wiry, highly energetic Tarassuk, who got his master's in history at Leningrad University, dominated the SRO gathering, even managing to find some space to move around in so that he could occasionally whisper something he said he wouldn't want recorded on a KGB bug. Actually, there was very little the busted curator didn't say out loud in his halting English.

"As near as I can find out, I was denied an exit permit because I was declared a unique specialist," he said, "but the last job I was offered was that of a loader in a store. That didn't seem at all unique to me, so I refused it."

He earned 220 rubles a month, about $286, in the Hermitage. The loader's job would have paid about 70 rubles. He said he had a whole flock of better offers—but they're from museums in places like Haifa, Israel, and Liege, Belgium.

Tarassuk at one time owned a 30-piece collection of antique armor, as well as some 16th Century engravings and a coin collection amassed since his boyhood in Odessa. He sold it all off to raise the money the exit visas for his family would have cost—900 rubles each for the three adults and 200 each for the children, something over $4000. The split-up family has been living on that money since last June.

There is a new collection which Tarassuk displays now—eight cards from OVIR, the visa office, telling him that the answer is still no (the Russian word for the turndown is *otkazniky*) on his insistent appeals. He has a huge rubber stamp a friend in the U. S. sent him and he affixes the one-word legend on it (it starts with "bull") on each card as it arrives.

Wouldn't he be in trouble if the police dropped in (Tarassuk has done a little time in the past for stepping out of line, as far back as 1959) and came upon that show of disrespect? Tarassuk had a fast answer for that.

He climbed the sill of the narrow window in the room, leaned out over the wilted flowers in the window box on the ledge, and called out to the KGB men on the street four floors below him: "Cuckoo, cuckoo."

I asked him why he had done that.

"So they'll know I'm here," he said, "and they won't worry."

"Don't you have to worry?" I asked.

"No," said the fragile, balding Tarassuk, producing a small transistor radio with a shortwave band. "I listen to the Voice of America, the BBC and the Israeli radio—when they don't jam it. There are people on our side everywhere."

The streaked-blond Polina Epelman, 34, a vibrant woman in an amply filled blue sweater over black slacks, is in a position that appears even more sticky than the others. Her husband Michael, a mathematician, went off to Israel on a tourist visa more than two years ago and stayed there. The affidavit he sent back, saying that he would just love to be joined by his wife and daughter Julia, 9 then, fell on extremely unfriendly ears.

With Tarassuk translating for her, Mrs. Epelman said that when she asked for an exist visa she was told that the very application constituted an "immoral act" because her husband was a traitor to the Soviet Union.

Since that time, she has received something like 14 to 17 turndowns from OVIR—she couldn't remember exactly how many—and she says that last July she was ousted from her job as the chief pharmacist of a Leningrad hospital.

She appealed that to the Ministry of Labor but the postman hasn't brought an answer yet.

Boris Rubinstein, 47, used to work in a research institute in Leningrad, specializing in magnetism and solid state physics. He quit in December, 1971, on the notion that it would remove any security claim when he tried for his visa. He put the papers in for himself and his wife Natasha, 35, the following May, only to find that he was indeed regarded as the custodian of some state secrets. He says that all his secrets have been set forth in 30 scientific papers published in the Soviet Union and elsewhere.

As for Mrs. Rubinstein, she was a scientific assistant in the Pushkin Memorial Museum, earning 110 rubles a month, when the Rubinsteins decided that Israel would be better. She's a library clerk now, down to 90 rubles. Rubinstein is making up the difference by tutoring. He says the last thing OVIR told him, two months ago, was not to come around again for another year. This is standard procedure over there.

In Moscow, I talked to a radio-TV engineer who also tried quitting his job before applying for an exit visa—the bushy-bearded Vladimir Slepak, 45, whose wife, Maria, is a doctor on a 76-ruble-per-month early retirement because her medical career involved X-ray work.

Slepak, one of the militants who has sampled the low-calorie diet in a couple of Soviet prisons, gave up a 300-ruble job as a laboratory chief in 1969 and put in his visa in April, 1970. He didn't get it, of course.

Since then, Slepak has had a variety of jobs. On two occasions he was able to work briefly in his own field until the record caught up with him. Then he dropped down the economic scale rather rapidly, working as a maintenance engineer for 150 rubles and later as a tool sharpener for 70.

Now he's idle and he says he has been threatened with arrest as a "parasite." The penalty for that low estate in the Soviet is assignment to a labor camp.

But Slepak has other troubles as well:

He says that his son Alexander, 22 has been turned down twice for Moscow University and on one occasion was told, "We are not going to educate specialists to go to Israel." Slepak also has a daughter, 14, in high school.

His father, who is 80, stopped talking to him when he first mentioned that new life in Israel four years ago, and he has no chance whatever for a visa as long as papa won't endorse it. That happens to be another one of the gimmicks in the bewildering maze of regulations governing applications for exist visas in the Soviet: you need your parents' permission *at any age* if you want to make that farewell trip.

Slepak's income is being supplemented by contributions from friends in the U.S. and elsewhere, so money isn't that much of a problem for him at the moment. The only trouble is, there isn't enough money in the world to buy a visa when the word is "nyet."

HEALTH INSURANCE: CAN THE GOVERNMENT DO IT CHEAPER?

Mr. COOK. Mr. President, the distinguished Senator from Massachusetts (Mr. KENNEDY) has proposed a far-reaching system of National Health Insurance. His efforts in this regard are to be applauded, because the health of our Nation must always be a top priority item of the Congress. One of the issues involved in such a proposal is whether any system of national health insurance can be more effectively operated by Government or private institutions. A very significant discussion of this question appeared in the January 1973 edition of Best's Review.

I ask unanimous consent that this article by Mr. John Krizay, research director of the Twentieth Century Fund, be printed in the RECORD.

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

HEALTH INSURANCE: CAN THE GOVERNMENT DO IT CHEAPER?

(By John Krizay)

At the opening of his subcommittee's hearings on the so-called health crisis in February 1971, Senator Edward Kennedy claimed that a universal health insurance program operated by the federal government would provide employers and employees with more medical care than a program operated by the private sector. In support of his argument, the Senator cited figures presented in the Social Security *Bulletin* showing that operating costs of commercial insurance carriers under group policies amounted to 13% of premium income in 1970 and operating costs of Blue Cross amounted to 6% of subscription income in the same year. At the same time, he claimed that the operating cost ratio of the Medicare program was only 2 to 3%.

The figures cited by Senator Kennedy are correct as far as they go, but do they prove that the federal government can operate a universal health insurance program at a lower cost to the insured than either the private carriers or the non-profit Blues? The answer to this question cannot be simply stated, because the public and private sectors are not at all comparable. But to the extent that one can find some common basis for measurement, contrary to Senator Kennedy's claim, it is more likely that the private sector has demonstrated superior operating efficiency in administering comparable programs.

A principal factor to be considered in explaining why aggregate operating figures—such as those used by Senator Kennedy—cannot be taken at face value is that the average size of claims may vary substantially from program to program. Yet, the cost of handling claims varies little whether the claim is large or small. The insured's eligibility must be established, duplication checks must be made, fee profiles or hospital costs must be verified where appropriate, deductibles and co-payments must be calculated and applied, and the payment must be made and posted for both large and small claims. This factor is particularly important to bear in mind in comparing Medicare operating cost ratios with those of the private sector, because Medicare claims tend to be higher than average claims filed under private sector coverage due to the longer hospital stay of patients in the over-65 age group. In fact, according to data published in the Social Security *Bulletin* of May 1971 (Medical Care Outlays for Three Age Groups), the average length of hospital stay of patients over 65 has consistently approximated twice that of the under-65 age group—e.g., 12.8 vs 6.6 days in 1970; 13.2 vs 6.8 days in 1969. Thus, if all other things were equal, the operating cost ratio under Medicare Part A—Hospital Insurance—should be approximately half that of other hospital insurance plans at a comparable level of efficiency.

SUPPLEMENTARY COSTS HIGHER

It should be noted at this point that the illustrative Medicare figures mentioned in the Kennedy subcommittee hearings showing Medicare operating costs to be between 2 and 3% of premiums refer only to hospital coverage (Part A). The operating cost ratio of Medicare Part B—Supplementary Medical Insurance (SMI)—presents quite a different picture. According to the SMI trust fund data published by the Social Security Administration, Part B operating costs have ranged from 10.3 to 12.2% of benefit payments. (The ratio would be only slightly lower if operating costs were measured against premiums. However, benefit payments are preferred here since there is no true premium income under Medicare in the same sense premium income exists in the private sector.) Here, of course, the average size of claims is much smaller than under Part A since Part B involves, principally, physicians' services.

Simply correcting for differences in length of stay, however, would still not provide us with a basis for judging whether the private sector or the public sector had demonstrated the greater operating efficiency. In the first place, the operating costs of the private carriers and—to a much lesser extent—of the Blue Plans include certain taxes and fees which, for the private carriers, average about 2.5% of benefits paid under group coverage. Additionally, advertising costs, acquisition costs and profit or risk charges are included in private sector operating costs but do not appear in Medicare operating costs.

Moreover, the Medicare program does not include in its operating expenses any amortization for its own buildings or equipment (although the fiscal intermediaries may properly include amortization in charging the U.S. government for the cost of administering the Medicare program). A number of minor personnel costs are likewise not included in calculating Medicare operating expenses: the staff of the Office of Management and Budget concerned with Medicare, personnel of the General Accounting Office who deal with Medicare matters, and members of the staffs of Congressional committees who spend all or part of their time working on Medicare legislation and related issues.

UNDERCHARGING SUSPECTED

There is also some reason to believe that the Treasury Department undercharges the Medicare trust funds for the collection and management functions it performs on behalf of the Medicare program. For example, in fiscal year 1969, Treasury was reimbursed only $26,000 for all services performed for the SMI program. While this amount may truly reflect the additional costs to Treasury for handling one *additional* trust fund operation (Treasury manages all trust funds of Social Security Administration programs), it is doubtful that this surprisingly small amount represents the true share of Treasury costs attributable to SMI operations alone.

On the other side, the Medicare program, by virtue of its public sector sponsorship, is saddled with certain costs which the private sector can avoid. The most prominent of these are the costs of more complete record-keeping and publication of data required of public sector programs funded through trust funds, and the support of policy objectives of the government which may have no direct relation to health care. The large civil rights compliance operation which is part of the Medicare program is an example of the latter.

More interesting is the fact that the uniform coverage of the Medicare program—which contrasts with the extreme heterogeneity of private sector plans—eases the task of processing and handling claims and permits cost savings. The maintenance of claimants' files and records is simplified, interpretations are minimized, and various other claims handling tasks are less complicated and less costly because all participants belong to one plan with the same benefits.

An additional factor is that a minority of the private sector programs provide coverage as comprehensive as Medicare, particularly where physicians' visits are concerned. This means that while hospital claims under private insurance are probably much smaller than under Medicare Part A, non-hospital claims in the private sector are probably largely surgical expense claims and hence are probably larger than Medicare Part B. But because the variations in coverage in the private sector plans are so great, there is no way of reaching a common denominator which would permit a comparison to be made on an aggregate basis.

There thus appears to be no satisfactory way to compare the operating efficiency of the public sector as reflected in the Medicare experience with the aggregate operating cost experience of the private sector. However, a somewhat more precise basis for measuring what the private sector can do can be found in a comparison of Medicare operating cost performance with the operating cost performance of a specific segment of the private sector; viz., the Blue Cross and Blue Shield program offered under the Federal Employees Health Plan (FEP). The number enrolled under this program is only a fraction of the Medicare enrollment (about 6.6 million under the "high option" plan compared with approximately 20 million under Medicare).

IMPERFECTIONS STILL EXIST

Although the FEP is a special program, strictly regulated by the federal government, it is private-sector underwritten and administered. Moreover, it is at least as comprehensive as Medicare, it provides uniform coverage to a sizable group, and it has many other characteristics similar to the Medicare program. In addition, it is possible to separate hospital (Blue Cross) and non-surgical (Blue Shield) claims and compare average

claim size with those of Medicare Part A and Part B on roughly the same basis.

This still leaves many imperfections in the comparative model because of all the reasons stated above, because of the problem of mixing calendar and fiscal year data, and because of some important differences in coverage. Whether the additional costs inherent in Medicare because of these differences offset the additional costs inherent in FEP cannot be judged. Nonetheless, this is the best basis that could be found for comparison of public and private sector operating costs.

What are the results of this comparison? An "uncorrected" comparison of Blue Cross against Medicare Part A and Blue Shield (plus supplementary coverage) against Medicare Part B for the years 1968, 1969, and 1970 is presented in the table below. Only "high option" plans are considered because high option coverage is more similar to Medicare coverage. It should also be noted that Medicare experience is based on fiscal year data while the Blue Plan experience represents calendar year data.

[In percent]

	1968	1969	1970
Medicare part A	2.2	3.1	2.7
Blue Cross	5.6	6.3	5.2
Medicare part B	11.8	11.0	12.2
Blue Shield [1]	5.6	5.9	5.1
Combination Medicare	4.7	5.4	5.3
Combination Blue Plans	5.1	6.2	5.6

[1] Includes claims experience under supplementary coverage.

The discrepancy in the operating cost ratios is due in part to differences in claims size. As one would expect, the average claim paid under Part A was much higher than the average claim paid by Blue Cross under FEP, even though claims under each plan consist mainly of hospital claims. In fact, the average Medicare Part A claim size was approximately three times higher in all three years. At the same time, the average claim paid by Medicare under Part B was roughly the same as the average claim paid by Blue Shield under its basic and supplementary coverage. Here is how the average claim size compares under each program:

	1968	1969	1970
Medicare part A	$597	$668	$722
Blue Cross	216	219	2[illegible]
Medicare part B	58	62	61
Blue Shield supplement	55	52	54

Note: All figures rounded off to nearest dollar. Medicare figures based on fiscal year data.

We can compensate for this difference in average claims size by adjusting the Medicare Part A operating costs by a factor equal to the ratio of Part A to Blue Cross average claims. If this adjustment is made, the resulting operating cost ratio is much higher than that of Blue Cross-Blue Shield, as indicated below:

[In percent]

	1968	1969	1970
Part A (adj.)	6.3	9.6	8.5
Blue Cross	5.6	6.3	5.2
Combination part A (adj.) and par B	7.7	10.0	9.5
Combination Blue Plans	5.1	6.2	5.6

It is worth noting that the operating cost ratio of the high option Aetna plan—the second largest plan offered under FEP—approximated the combined Blue Cross-Blue Shield experience in the years cited. Since the Aetna plan offers coverage similar to the high option Blue plans and insures members of the same population, it is likely that the average claim paid for both hospital and non-hospital benefits is also similar. However, since there is no "natural" division between hospital and non-hospital claims in the Aetna plan, the experience of the Blue plans was used in this exercise.

Once the figures are adjusted in the manner described above, they show a surprising difference in the operating cost ratios of the two programs. Blue Shield, in particular, demonstrates a decided superiority over Medicare Part B. Nonetheless, in spite of the many similarities in the FEP and Medicare programs, they are sufficiently different in coverage as well as in administrative requirements to make it hazardous to take these figures at face value. It should be borne in mind that FEP is atypical of private sector health insurance programs and that its enrollment consists of a highly literate population which can be counted on to cooperate more effectively in the claims handling process than, say, the Medicare enrollment where a substantial information program is needed.

NO "PROOF" OF SUPERIORITY

What can we conclude from this presentation? First, it is clear that the 2 to 3% operating expense ratio of Medicare Part A is by no means indicative of a public sector managerial superiority or proof that a universal health plan could be administered at lower cost by the Social Security Administration. By the same token, our comparison of private sector experience (adjusted to make average claims values comparable) does not definitively prove greater private sector operating efficiency, even though it is strong circumstantial evidence. Rather, each sector sees its responsibilities differently, and these different attitudes affect operating costs. It is clear that one cannot make a persuasive case for a public-sector operated universal health insurance program on the theory that its operating cost would be lower. The claim that the Medicare experience offers such proof is unquestionably outlandish. The case for a public sector program, therefore, will have to be based on other arguments.

SPEECH BY SENATOR JACOB K. JAVITS BEFORE THE EIGHTH ANNUAL WASHINGTON MEETING OF THE COUNCIL OF THE AMERICAS

Mr. CHILES. Mr. President, I had the honor and pleasure of appearing on the same platform with Senator JACOB JAVITS yesterday to speak to the Council of the Americas. The distinguished Senator from New York spoke with great perception on some of the important issues before us in our relations with Latin America drawing on his remarkable experience and understanding of this hemisphere.

I would like to bring to the attention of my colleagues this speech by Senator JAVITS by asking unanimous consent to print his remarks in the RECORD.

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

THE NEW U.S. APPROACH TO LATIN AMERICA

(By Senator JACOB K. JAVITS)

There is a new U.S. interest in Latin American relations as has been signalled by Secretary Rogers' recently concluded trip to Latin America and by the announcement that a visit by President Nixon is in the offing.

These travel plans are significant in that they seem to be accompanied by a shift of U.S. policy towards Latin America from what has been characterized as a low profile policy—approaching a non-policy—to a more active involvement.

In this regard, U.S. policy towards Latin American economic integration is of paramount importance. For those of us who have long favored the economic integration of Latin America and have been concerned about the perhaps excessive recent emphasis in U.S. policy on bilateral relations between the U.S. and individual nation states of Latin America, Secretary Rogers' visit to the headquarters of the Andean Pact on May 16, 1973 must be viewed as an important signal.

During this visit and in addressing the members of the Andean Pact Junta and later in Bogota, Secretary Rogers stated:

". . . our policy is to encourage regional cooperation . . . In some cases, such as the OAS, regional cooperation involves the United States. But we also favor regional cooperation not involving participation by the United States. Thus, we welcome growing regional efforts as in the Central American Com[illegible]on Market, the Andean Pact and the Caribbean."

In my opinion this emphasis on regional integration does represent a policy shift. To indicate the progress that has been made in one year, I ask your indulgence as I quote from a speech I made exactly one year earlier than Secretary Rogers statement and visit. On May 16, 1972 in a speech entitled *The Crises Facing Regional Integration in the Americas,* and after strongly supporting greater emphasis on Latin America integration I stated:

"Over the short term I share the view that Dr. Joseph Grunwald put forward in his perceptive new book, *Latin American Economic Integration and U.S. Policy,* that the United States, because of the Vietnam War and the Congress' attitude towards foreign aid, was in no position to make substantial and definite commitments in support of Latin American integration!"

I then stated:

"I would like to add that these factors constraining U.S. policy are not likely to alter significantly over at least the short run. New bi-lateral and multilateral aid programs remain in deep trouble in the Congress, trade preferences remain down the road as long as the present protectionist mood persists and there is an emphasis in the Administration on bi-lateral relations rather than more ambitious integration plans."

Today, in light of the Rogers visit and since generalized trade preferences for the countries of the developing world have been included in the Trade Reform Act of 1973, by May, 1972 remarks may have been too pessimistic. In this regard, I also note that the Group of Twenty is making progress on the monetary front on issues of interest to the developing world and that the concept of an SDR-development assistance "link" has moved further down the road towards world acceptance.

This again represents progress and gives meaning (though not yet fulfillment) to another pledge Secretary Rogers made in Bogota when he said:

"The United States intends to give substantial support to Latin American efforts to assure a decent life to all the citizens of the hemisphere."

In this regard, I believe the Congress will do its part. In the hearings before the House Ways and Means Committee on the Trade Reform Act of 1973, the generalized preference titles have support and have not been the focus of critical attention. With the gifted leadership of Chairman Wilbur Mills, I am optimistic that these provisions will pass the House and thus have a good chance to become law.

I am also encouraged by the very recent initiative of the House Foreign Affairs Committee to re-structure our bi-lateral assistance program towards the end of establishing an Export Development Credit Fund to fi-

nance exports of U.S. goods at low interest rates and *easy* repayment terms to the world's economically poorest nations. In addition to this fund, remaining bi-lateral development assistance would be channeled into such areas as food, rural development, population control, and health and education while the multilateral lending institutions would be deemed a proper source for financing major infra-structure projects such as transportation and power.

Now I am not saying that it is certain that this new House Foreign Affairs Committee approach will carry, but I am saying it is a positive and welcome approach which creatively addresses an area which in the recent past has been characterized by a generally negative Congressional reaction.

It is my hope that the Congress soon will also address itself to 19th century anachronisms in our laws as they relate to development assistance. I refer to amendments such as the Hickenlooper amendment to the Foreign Assistance Act and the Gonzales amendment to the bills funding the International Financial institutions. This legislation mandates an aid cutoff or a negative U.S. vote on a loan, in the case of outstanding investment disputes. I suggest that the business community should make key members of the Congress aware that such inflexible and mandating legislation serves neither our broader national interest in terms of our relations with Latin America nor our business interests. Such legislation is a continuing and unnecessary irritant to good bilateral relations with nations adversely affected by these laws.

These comments led me into an area that I would like to discuss in slightly greater detail and this concerns the future role of private foreign investment in Latin America. I have little doubt that on all our minds is the recent decision of the Ford Motor Company to give $1 million in goods to worthy Argentine institutions as the result of the extortionist demands of Argentine terrorists after two Ford Executives in Argentina were shot.

Clearly this could be the prelude to a new type of international terror by ransom aimed at the international business community.

What often is not recognized is that such terrorist tactics serve poorly those very segments of the society—the economically and socially depressed or oppressed—which have the most to gain from economic stability and economic growth which is threatened by the acts of terrorism.

But let us not underestimate the appeal to the "marginal man" of Latin America of this Ford case.

The Robin Hood legend is a popular legend in our societies—the glamorous bandit who takes from the rich to give to the poor. This helped explain the early success of the Tupamaro movement in Uruguay. But what is overlooked is that such tactics disrupt the economy and such economic disruption helps insure that "marginal men" and their children remain on the margin. Public and private capital is frightened and it moves elsewhere, jobs are not created, production is not increased but reduced, and through this destructive cycle, economic and political havoc is caused.

A key concern in Latin America today is the high rate of unemployment and the possibility that the rapid rate of population increase will continue to outrun the capability of many of the countries of Latin America to provide jobs. In turn, those who cannot find work are on the margin of any society.

To those on the margin, be they in New York City, or in the larger Latin American cities, the law is often viewed as an oppressor and sometimes felt as an oppressor.

I have always viewed one of the functions of the middle class to insure that the law does not become an instrument of oppression. It would be my hope that the growing middle classes in Latin America will be increasingly active in this respect. It should also become the function of the new middle class to create conditions that insure that the marginal men and women of Latin America have a good opportunity for fruitful integration into their respective societies. This is the only effective approach to conditions which breed desperate acts and terrorism. Those who had insured that the Palestinian refugees would never have the chance to leave their camps and integrate into a viable economic and political structure, have had a diabolical understanding of this principle.

But let me turn from this disturbing subject to a foreign investment topic which continues to provide me, and I hope many others, with grounds for hope. I refer to the fine work that the ADELA continues to carry out in Latin America and in this connection note that the ADELA concept is now operative in Asia through the Private Investment Corporation of Asia and in Africa through the SIFIDA.

The judgment of even the most critical of my friends has been that ADELA's contribution to socio-economic progress in Latin America, while hard to measure, has definitely been positive, both by providing funds for projects and by raising the general level of management skills through its consulting as well as its employee training program.

However, let me also say at the outset that I am under no illusions that there is a real difficulty in combining even within a private profit-oriented investor group, the objectives of furthering both socio-economic progress and the profit motive in investing in viable new projects and the expansion of existing enterprises.

Most if not all of the strain between management, shareholders and boards of directors has been caused by the lack of clarity of priority of objectives.

If you look at the lists of directors you will see that they represent investor groups. Even though many of the investors mentally wrote off their investments when made, their representative directors nevertheless continue to press the managements for performance, and the performance most easily measured is the profit performance. Somehow socio-economic justification is not adequate when an investment made by an ADELA type company in a developing area goes sour, nor, indeed, perhaps is there any real socio-economic justification for making bad investments. The balance between these objectives remains the challenge for each of the companies, and perhaps, the time is ripe for further discussion with the shareholder groups and with managements, to clarify policy within the broader context of the need for closing the gap which continues to widen between developing and developed countries, as was done at the time of founding these institutions.

These problems of priorities, of course, are not unique to ADELA. They are found in all international private investment concerns.

I ask the business leaders present at this meeting to give their serious consideration to this question of the balance of objectives.

In this connection, the international business community also should be reminded that in addition to highly important trade and tax proposals now being considered by the Ways and Means Committee, the House Foreign Affairs Committee and the Senate Foreign Relations Committee are reviewing the programs and mandate of the Overseas Private Investment Corporation in the context of their legislative review of the new Foreign Assistance authorization bill. Also, that the multi-national corporation and its operations is itself under intensive review in the tax writing committees of the Congress and by a special Senate subcommittee.

My question is whether in view of the current trend of thinking in our country and the substantial discussion of the role of multi-national corporations in economic and political development, the time has not come to convene an international conference of ADELA shareholders, very much like the one in Paris in January, 1962 which resulted in the organization of ADELA as a business concern, to discuss the emerging problems and to determine whether in the light of changed world conditions the original objectives should be re-affirmed or changed?

I would very much like to hear from you on this suggestion.

DINNER FOR DUKE

Mr. SCOTT of Pennsylvania. Mr. President, a column entitled, "Dinner for Duke" appeared in the Sunday Pittsburgh Press of June 3, 1973. It is one newsman's opinion about another newsman, Duke Kaminski, who retires this year after covering the Pennsylvania legislative scene for the Philadelphia Bulletin over the last 26 years. I like them like Duke. No punches pulled, no awe of anybody, but mutual respect for candor. Mr. President, I ask unanimous consent that the column written by Pat Boyle, legislative correspondent for the Press, be printed in today's RECORD.

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

DINNER FOR DUKE

(By Patrick Boyle)

HARRISBURG.—The adversary position Capitol newsmen have toward politicians was put aside briefly the other night to honor one of the most probing reporters who has covered state government.

Duke Kaminski was calling it quits after 26 years as Harrisburg bureau chief of the Philadelphia Bulletin only because of his papers mandatory retirement policy at age 65.

The Capitol Newsroom got the idea to set up a dinner party and this was done first-class at the Hershey Hotel, although no one was sure if anyone would show up to pay tribute to him.

The reason: Mr. Kaminski, who claims he was born in the unlikely place called Minersville, Schuylkill County, has been critical of most political and governmental officials.

Nevertheless, about 120 persons, including Gov. Milton J. Shapp, House Speaker Kenneth B. Lee, Treasurer Grace M. Sloan, Aud. Gen. Robert P. Casey, and nearly all of the 50 state senators, were there.

They and others were highly complimentary of Mr. Kaminski as a fair and objective writer, despite his ability in press conferences to rattle the most confident of politicians.

His tight-wad attitude toward state spending probably had many public officials wondering if he thought the state budget was something financed by his personal checking account.

If that doubt lingers in anyones mind, I, as a personal friend and beneficiary of his long experience in Harrisburg, can clear it up by saying that indeed that was Duke's conviction.

He often told those "bummers and boobies," as he referred somewhat jokingly to legislators, governors, judges and others, that the only ones protecting the people from outrageous taxation were the newspapermen assigned to the Capitol.

At the dinner, Mr. Kaminski, breaking away from his tradition, had mild praise for the higher caliber of legislators today compared with those he first encountered in the late 40s.

But the next day, at a press conference with Gov. Shapp, he was back to his penetrating questions. "When you fired Rocco (Urella), you knew all this hanky panky, didn't you? Why the six-month delay?"

Like my predecessor here for The Press, L. R. Lindgren, was to me, Mr. Kaminski's cranky attitude toward sprawling government has served as an inspiration to younger reporters to dig for the truth.

The healthy irreverence toward all politicians, and the politicians' awareness that the news media eventually will learn about governmental hanky-panky, is what it's all about in Harrisburg.

ON THE NOMINATION OF ROBERT H. MORRIS

Mr. MOSS. Mr. President, the Senate will soon be called upon to exercise its judgment on the nomination of Robert H. Morris to be a Federal Power Commissioner.

I have previously indicated that I intend to cast my vote in opposition to his confirmation. To further inform my colleagues in the Senate about this important nomination, I ask unanimous consent that an editorial which appeared in today's Washington Post, and letters from Ralph Nader and the Consumer Federation of America be printed in the RECORD.

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

THE WRONG MAN FOR THE FPC

Regulatory agencies frequently fall captive to the industries that they are supposed to regulate. But even by the regrettable standards of that tradition, the present state of the Federal Power Commission is extraordinary. The chairman is a New Hampshire lawyer who, in his private practice, was counsel to a gas utility. One member is a lawyer from a Texas firm that specializes in representing gas and oil interests. Two other members are Republicans from Capitol Hill, one of them a retired Illinois congressman and the second a senator's former administrative assistant. Among the four there is none who can properly be called a critic of the industry, or a spokesman for its customers.

The fifth seat on the commission is vacant. Last December the President nominated Robert H. Morris, a San Francisco lawyer who has spent much of his career representing Standard Oil of California. Several senators have carried on a long delaying action against confirmation of Mr. Morris. But now his nomination is about to come to the Senate floor. The question is not whether the industry's view deserves representation within the FPC. It is whether any other view is to be represented. Mr. Morris' integrity and competence are not in question. But at a time when public confidence in the federal government is not high, the Senate would make a grievous error in awarding still another seat on the FPC to a lawyer who, in his private career, spoke for the oil and gas industry.

That industry might usefully ask itself whether its own interests are really served by this crude tactic of excluding all dissent from the commission. Over the next several years, the federal government is going to have to make a series of hard decisions regarding prices and taxation of gas and oil. These decisions will be political. They will reflect voters' impressions as to whether they are being treated fairly. It is something of an understatement to say that currently the oil and gas industry does not enjoy any great degree of public trust and affection. The industry might consider whether anyone will put much credence in the findings and rulings of an FPC dominated by lawyers who, before coming to Washington, worked for the gas and oil companies. The senators ought not have much trouble answering that question. The proper course for the Senate is to reject Mr. Morris' nomination.

JUNE 4, 1973.

Hon. MIKE MANSFIELD,
Majority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The Senate should reject the nomination of Robert H. Morris to the Federal Power Commission. Mr. Morris has spent the great bulk of his professional career as a lawyer promoting the interests of the oil and gas industry. The Commission's present membership and the confirmation of William Springer provide the FPC with an overwhelming pro-industry bias without adding another such advocate. What is needed is an appointee who will keep inflation at bay and regulate in the broad consumer interest as the law requires.

For fifteen years Mr. Morris was a member of the San Francisco firm of Pillsbury, Madison and Sutro, which represents Standard Oil of California and their subsidiaries, notably the California Company, which is one of the nation's largest natural gas producers. He has frequently appeared before the FPC on behalf of his client and has been a counsellor to Standard's management in their policy decisions.

Mr. Morris is a prototype of the breed of lawyers who have trampled the consumer's interests while achieving overwhelming advantage for the oil and gas industry. Such a man is unfit to now assume a position on the public agency which has been chartered by Congress to protect the consumer. President Roosevelt said that the regulatory agencies must be "a tribune of the people . . . for protection of the people against private greed." President Nixon has nominated a counsel of the privileged to the FPC when the agency is already overwhelmingly burdened with such advocates.

It is argued that Mr. Morris' background should not disqualify him, that a lawyer should not be judged by his clients. This is a diversionary argument. An appointment to the FPC carries a five-year term; it does not carry with it the security of a life-long appointment to the federal bench. Mr. Morris' professional past has been intertwined with the oil and gas industry.

His future clearly lies with the industry after his proposed term on the Commission would expire. Indeed, the majority of former commissioners have returned to the industry arena that nourished them. Service on the Commission should be more than a benchmark in a career with the industry that is supposedly regulated.

It is naive, if not calculating, to suggest that Mr. Morris can be expected to adjudicate the matters that would be before him with even a modicum of open-mindedness. If Mr. Morris were a federal judge faced in federal court with the cases he will hear at the FPC, judicial propriety would require him to disqualify himself often.

The FPC's May 30 decision in the Belco case vividly underlines how now, more than ever before, the Commission needs commissioners who can be counted on to represent the public interest. In approving a 73% rate increase that will yield the companies involved an average 27.5% return on their investment (one company will get a 48% return), the majority of the Commission rebuffed the recommendations of its own staff for a 15% increase, dispensed with a recommendation from the administrative law judge who heard the case, closed its eyes to obvious collusion among the companies, and displayed utter contempt for the public interest. As the dissenting Chairman warned, there is little reason to doubt that this Commission largesse to the particular applicants will not be extended to the entire industry at a staggering cost of billions to consumers.

The time has come for the Senate to restore the FPC to its statutory role of protecting the people from private greed. Chairman Magnuson, along with Senators Hollings, Hart, and Moss, having reviewed Mr. Morris' nomination in the Commerce Committee, have announced their intention to oppose Mr. Morris. I urge you and your colleagues to defeat the nomination and make it clear to the President that you will only accept a person who can be counted on to serve the consumer rather than the special industry interest on the Federal Power Commission.

Sincerely,

RALPH NADER.

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., June 6, 1973.

DEAR SENATOR: As the Senate prepares to consider the nomination of Robert Morris to be a member of the Federal Power Commission. Consumer Federation of America wants you to have its views and attitudes regarding Mr. Morris before you.

When the President named both former Congressman Springer and Mr. Morris to the two vacancies on the FPC at the same time, CFA was stunned and disappointed particularly in light of the effort we had made to get the President to name to that important regulatory body at least one member with a consumer background, interest or orientation. At the very minimum, we would have expected both or either of the candidates to have neutral backgrounds.

To have named a retired Congressman, whose voting record on consumer matters was deplorable, and a California attorney, who had, for many years, been a member of a law firm representing Standard Oil of California in FPC cases, was an insult to the Senate and a double-barreled shot at consumers. This is especially so because of the background and the track record of the three other members of the Commission.

With energy costs escalating and with significant policy decisions to be reached, CFA believes that it is absolutely essential that there be at least one member of that body who can be expected to understand and express the consumers' view of issues that come before the Commission. The FPC, which was established by Congress to protect the consumers of this country, has heavy responsibilities in fixing natural gas rates and electric rates. Its decisions have immediate and direct impact on what the consumers pay for energy.

It has been suggested that Mr. Morris has some interest in environmental problems, although we do not know how deep and extensive this interest may be. Quite obviously, we support environmental efforts, but in our view it is far more significant in passing on Mr. Morris' qualifications to consider his background and his attitude on issues involving all consumers. The enclosed copy of a recent article in the *Sacramento* (California) *Bee* focuses on that point and I believe you will find it instructive.

The Senate has an opportunity to hold one position on the FPC open for a candidate whose background and prior experience indicates that he or she would recognize and give proper consideration to legitimate consumer concerns.

To the extent we can speak for our member groups, we regard this vote as extremely important and believe it will be one of the tests by which Senate members are judged in their attitude toward consumer interests.

Sincerely,

ERMA ANGEVINE, *Executive Director.*

[From the Sacramento Bee, May 29, 1973]

DEFEAT OF MORRIS FOR FPC IS URGED

(By Leo Rennert)

WASHINGTON.—Lee White, former chairman of the Federal Power Commission, today said the Senate should not be diverted by environmental arguments in considering the FPC nomination of San Franisco attorney Robert Morris.

It is far more important, he said, for the Senate to defeat the nomination to prevent a total anticonsumer stance by the commission than to approve it on the theory that Morris may add a conservationist dimension to FPC deliberations.

Morris, who has done extensive legal work for the Standard Oil Co. of California, has urged support for his appointment on the ground that the time has come for the commission to shift its primary role from consumer to environmental watchdog.

LETTER TO CRANSTON

He spelled out this view in a letter to Sen. Alan Cranston, D-Calif., a pivotal figure in the fight over the controversial nomination.

Cranston, who still has not made up his mind, arranged to confer with Morris during the weekend in California. He met here last week with White to hear the opposition side.

The Senate is tentatively slated to vote on the nomination tomorow.

White said environmental concerns "should not be controlling" because the FPC already is under sufficient pressure from Congress, the courts and citizens' groups to proceed in an ecologically sound direction.

"Environmental protection is fine but it is not at the moment the commission's greatest need," he remarked in an interview with The Bee.

"From this standpoint, it doesn't make a bit of difference who's on the commission. The sheer force of events and pressures from other institutions provide sufficient guarantees that the FPC cannot ignore."

CONSUMER VOICE

White, who headed the commision during the last three years of the Johnson administration, said the Senate instead should focus on the need for at least one strong consumer voice on the FPC.

"Morris doesn't look like the guy I would seek out," he remarked.

Like other opponents of the nomination, White expressed concern that approval of Morris would give the FPC a complete pro-industry bias in setting regulatory policies for oil, gas and electric utility companies.

Because President Richard Nixon's first four appointees to the commission appear to be "peas from the same pod," he said, it is critical that the last vacancy be filled with someone who would provide some diversity of viewpoint.

White said an articulate consumer spokesman is particularly necessary at a time of rising rates to help brake the FPC's readiness to rubber stamp industry requests for sharp price boosts.

IMPORTANT ASSET

Based on his own experience, he added, a single dissenting member of a regulatory body can be an important asset because he can have a beneficial impact on his colleagues' decisions and improve public understanding of vital issues.

White recently was selected by the Consumer Federation of America to head its energy policy task force. The federation has mounted a major compaign against Morris.

Sen. John V. Tunney, D-Calif., has endorsed Morris. In so doing, he has parted company with several other liberals on the Commerce Committee, including Chairman Warren Magnuson, D-Wash., who are leading the fight against the nomination.

White said there is a chance that opponents may be successful with a motion to recommit the nomination to the committee—a move which would virtually kill it. Sen. Frank Moss, D-Utah, a leader of the anti-Morris forces, believes the outcome may hinge on Cranston's decision.

MANDATORY SAFETY BELT REQUIREMENT

Mr. COOK. Mr. President, on May 15 a 7-week-old baby, Samuel St. Aubin, of Calumet City, Ind., was killed in an automobile accident. Ordinarily 1 of 55,000 annual auto deaths in this country would not be newsworthy, but this one is. Little Samuel was killed while riding in a General Motors car equipped with air bags, but no safety belts.

General Motors has placed 1,000 of these experimental vehicles into use throughout the country. The driver of the vehicle, Mrs. St. Aubin, survived the accident with only a fractured leg, and the police speculated that she would have been killed had it not been for the deployment of the bag. There was no speculation made as to whether a belt system could also have saved her, and maybe even have prevented the leg fracture.

The crucial point here, however, is that the baby was lying on the front seat—totally unrestrained. When the driver slammed on the brakes, Samuel was thrown forcefully down under the dashboard. He may well have died prior to impact—the time of deployment for air bags.

General Motors offers a safety carrier for infants—called "loveseat." It is held in position by ordinary lap belts. Many experts have claimed General Motors' infant carrier to be the most effective on the market. But even if Mrs. St. Aubin had wanted a "loveseat" she could not have used it for the General Motors car had no belts.

Although this car was an experimental one, it is the same type that will be marketed by all manufacturers beginning on August 15, 1975, unless Federal Motor Vehicle Safety Standard 208 is changed.

That is right, Federal Motor Vehicle Safety Standard 208 eliminated the mandatory seat belt requirement now in existence. Despite myriads of evidence which show safety belts to be the greatest life-saver in existence, the Department of Transportation persists in the pipe dream that air bags will be able to do what belts do. I do not believe Mrs. St. Aubin, despite the fact that air bags saved her life, is ready to agree with the Department of Transportation. Neither am I.

Last year, I introduced legislation limiting the Department of Transportation's authority to eliminate the mandatory safety belt requirement. It was not acted upon by the Commerce Committee, despite considerable testimony as to its timeliness and desirability. This year I introduced S. 1173, which again seeks to preserve this lifesaving regulation. I trust that the Commerce Committee, and the Senate, will realize the necessity of this legislation, and will approve its passage this year.

I seek unanimous consent that two articles concerning the aforementioned accident be printed in the RECORD.

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

[From the Chicago Tribune, May 19, 1973]

DEATH IN AIR BAG CAR PROBED

(By Thomas Connor)

Officials of General Motors Corp. and the federal government yesterday were examining a demolished experimental automobile equipped with air bags in which an infant was killed following a three-way collision last Tuesday in Schererville, Ind.

The seven-week-old baby, Samuel St. Aubin, of 313 Lawrence St., Calumet City, died of head injuries, thus becoming the first auto fatality in a car equipped with the inflatable bags.

The victim's mother, Mrs. Mary St. Aubin, the driver, was released from the hospital yesterday with a fractured leg and officials say the bags saved her life.

Schererville Police Chief Philip Spivak theorized that Mrs. St. Aubin may have applied her brakes prior to the actual collision, causing the infant to hit his head on the dashboard or floor. Without the impact, the bags would not have inflated.

The four bags are located beneath the dashboard and automatically inflate during a crash, filling the entire front seat and cushioning any shock the rider might otherwise experience. They are designed to inflate at the equivalent of an impact of 11 miles per hour.

"But the driver would have suffered serious chest injury if not death without the bags. The front of the car was totally demolished and the steering wheel was broken off," Spivak added.

George R. Smith, executive engineer in charge of the General Motors program, said there were 1,000 experimental cars in the nation which have logged more than 6.2 million miles without a single death.

Mrs. St. Aubin was northbound on U.S. 41 near U.S. 30 when she collided with a United Parcel truck which was forced into her lane after being hit from the rear by a second truck.

[From the Detroit News, April 29, 1973]

EATON CHAIRMAN THINKS AIR BAG SYSTEM HERE TO STAY

(By Paul Gainor)

Eaton Corp., which will supply 100,000 air bags to GM for 1973 model production, apparenty feels confident enough that its passive restraint safety system will work.

Two top Eaton executives have been driving bag-equipped cars and both vouch for the reliability of the system.

Eaton Board Chairman E. M. de Windt and Executive Vice-President Paul A. Miller were in Southfield last week for Eaton's first stockholder meeting outside Cleveland when they discussed their experiences with the system.

De Windt says he has had the system in his car for 2½ years and Miller has been using one for eight months.

"It's time we toss out all this nonsense about air bags of the past few years," de Windt said. "The real problems is that seat belts will not do the job. The air bag is the solution."

De Windt and Miller say the bags in their cars have never inadvertently fired.

"We're more confident of the air bag today than we were a year ago," Miller said. "Nobody knows their ultimate price (as options on 1974 GM models), but I think they (GM) can sell them."

Miller notes that Eaton has fleet tested

bag-equipped cars for more than 13 million miles without one accidental firing.

Besides the GM order, Eaton will supply bags to Ford Motor Co.'s Mercury Division for experemntal use.

The air bag discussion took place after Eaton stockholders saw a film on the success of air bag tests.

In the film, a test driver and his female passenger crashed a car traveling about 30 miles per hour into a concrete block without apparent injury. The bags inflated on impact and deflated within ½-second, as they are designed to do, deWindt said.

De Windt recalled an auto crash in Chicago recently in which an Eaton employe in one of the firm's air bag-equipped cars blacked out at the wheel and struck a parked police car.

Though the driver had "circumvented" the car's seat belt system and was traveling at 68 miles an hour, de Windt said, he was uninjured except for a wrist fracture caused when his hand struck the dash board.

Other air bag applications may be in the works.

In response to a stockholder's question, Eaton's engineering and research vice-president Robert G. Brown said the company is studying the possibility of rear seat and anti-whiplash uses for the bags.

The rear seat bags are "in the 'possible' class," Brown said, "but are not proposed at the present time. There has been a fair amount of work on this."

Brown noted that crash injuries are less likely to occur and usually are less severe than front seat injuries. "Substantial changes" in front seat design would be needed to "stabilize" the rear seat bags, he said.

Also, Brown said, "a lot of consideration" has been given to installing sensors in the rear of cars to head off "whiplash" neck injuries which occur from rear end collisions.

Such bags would work in tandem with front seat head rests to support the head and neck in such crashes, he said.

As for the company's fiscal outlook, de Windt said he is "extremely optimistic" that 1973 profits will be "well ahead" of 1972, when Eaton's sales increased 18 percent to $1.2 billion and net earnings grew 23 percent to $70.3 million.

Eaton previously had announced first quarter 1973 net income of $23.1 million, or $1.26 per share, up from $18.2 million, or 98 cents per share, for first quarter 1972.

First quarter sales were $370.6 million, up from $293.4 million.

Eaton, a Cleveland-based manufacturer of automobile and truck components, industrial and consumer products and a materials handler, held its meeting in the Detroit area, de Windt said, because it has more stockholders in Michigan than in any state except Ohio.

The meeting was held at Eaton's research center in Southfield to familiarize directors and stockholders with Eaton facilities, de Windt said.

OUR RELATIONS WITH LATIN AMERICA

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD the text of an address delivered by the Senator from Florida (Mr. CHILES) at the Council of the Americas.

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

OUR RELATIONS WITH LATIN AMERICA

(By Senator LAWTON CHILES)

My interest in Latin America stems in part from the fact that Florida serves as a gateway to Latin America for many of our companies, so I am happy to have this opportunity to speak with you today. We live in very challenging times in our relations with Latin America, as the topics you are considering in this Conference suggest. In no other part of the developing world has the drive toward development been so clear and at the same time so laced with controversy over the role of private investment. Latin American countries are searching for their separate identities and are exploring many different systems and styles of development. As this has occurred they have become increasingly sensitive about determining their own priorities, controlling their own resources and deciding their own destinies. This is undoubtedly to the benefit of the process of development as nothing will make development efforts falter so much as lack of will. But these factors have made our relations with Latin America more complicated.

The question you have all been facing, I am sure, is: what should be our response. Can we continue to act in relation to Latin America as we have in the past? Should we back off from Latin America altogether? Do we need a totally new approach? Should we keep a low profile? What in the end should we do in the government and in the business community to better relate to Latin America?

The first thing we need to do is to stop thinking of Latin America as if it were one place like the United States. We are talking about more than 25 countries which are as different geographically, economically and politically as can be imagined. My first fact finding trip to Latin America was to Peru and Brazil. These both have military governments. And yet these governments are very different. We need to approach each government in a different way.

Just think of the vast difference between such places as Brazil and Barbados, Mexico and Nicaragua and Argentina and the Antilles. But we go on talking about Latin America as if it were a unified continent or a single nation. In fact Mexico has more in common with Canada than with the rest of Latin America in terms of its relations with the United States. The Caribbean countries, because of their size as much as anything else, have more in common together than they do in relation to South America. The same holds for the Central American Countries.

So we need to look at our relations with Latin America as to what the differences are between types of countries and make our policies appropriate to the differences rather than force fit uniform policies on a region of diversity. This should apply to both our bilateral relations with individual countries and our relations through international institutions with the region as a whole. Such an approach seems to me to be a vital basis for relations with a hemisphere experiencing rapid change, rising nationalism and increasingly experimentation in its approaches to development.

Second, these changes occurring in Latin America require not withdrawal and neglect on our part but high level attention and definite policies. Events in recent months have shown that we reap no reward by standing aside as an observer in our own hemisphere. In the OAS Inter American Economic and Social Council meeting in Bogota in February, we found that we had to abstain from the final resolutions of the meeting. How could this be? Are we unable to define our interests and pursue them actively with governments of our own hemisphere to find some basis for common action?

The same thing occurred in Panama in March at the abortive meeting of the U.N. Security Council. We had to exercise our veto in order to put down a Security Council resolution regarding the Panama Canal. This was a very trying and difficult situation. The U.N. Security Council is hardly the place to be establishing the terms of agreement between the United States and Panama over the Canal. But again, we were alone—isolated from other nations—appearing to hold a much more negative position on the Canal than we really do.

The whole meeting was staged by Panama to pressure the U.S., which was a highly questionable tactic on their part if they really want to settle the Canal issue on reasonable terms. But the other nations went along with holding the meeting in Panama in order to try to flush out the U.S. on what its policy is toward Latin America in general. It seems to me that if our policy had been more defined and if we were more engaged in inter-American relations, we would not have gotten manuevered into such a difficult position. There would not have been the generalized frustration for Panama to exploit to its own propaganda advantage.

So the second thing we need to do is to have an active foreign policy involvement with Latin America. We can no longer afford to stand in the middle of the ball field and be yelled at for doing nothing. We need to get into this new ball game and play as if we mean business.

What are some of the things we could do which would be in our interests and constructive from the point of view of our relations with Latin America?

First, we need to redefine our role in the Organization of American States, using that institution as a means of pursuing our policies with countries in Latin America. William D. Rogers, a man who carried major governmental responsibility for the Alliance for Progress in the early sixties, has suggested that we withdraw from the OAS and take on an observer status but that we keep the OAS in Washington and continue to contribute to it on a reduced basis. I disagree. By our lack of policy we have already achieved in fact observer status in the OAS. To make this a formal step would be to confirm Latin America's suspicion that we really don't care anymore.

I feel that we need a political forum to work on problems within the Western Hemisphere family without the distractions and posturings which usually take place when other nations outside the region are involved.

Turning to economic policies, we have a number of options to exercise in the way we go about our economic relations with Latin Americа.

AID

In the area of aid, it seems clear that some significant cut in the foreign assistance budget request will take place in FY 1974. The Chairman of the Appropriations Committee, Senator McClellan has received preliminary budget estimates by the chairmen of the various subcommittees of appropriations. The President's aid request is for $4.4 billion. This has been cut by 30 per cent to $3.1 billion in this preliminary budget estimate.

Now this may not be the final figure but the strong feeling in the Congress is that the American people will not support a major effort in foreign assistance. With great pressure on us to keep total spending down and give priority attention to domestic programs, it is hard to see how this can change much as far as the *amount* of aid is concerned.

The real options are aid for what and through what channels. In my position on the Foreign Operations Committee of Appropriations I have had an opportunity to give some thought to these issues. It seems to me there are a number of things we can do.

MILITARY AID

We can take a close look at military assistance and see to what extent this can be cut and even turned over to military sales. Our whole aid program suffers from the fact that it is a creature of the immediate Post War

period and military aid probably is more in need of an overhaul after nearly three decades than other parts of the aid program. Many experts in aid have concluded that the whole rationale for military aid is now obsolete. The President has asked for $652 million in military grant funds for FY 1974. A good test of the real need for military hardware is to place them on a sales basis and see to what extent the purchases remain at the same level of military preparedness. If not, then it is highly likely that military preparedness is not as important to many of the countries now getting military aid as we previously thought.

A second factor which should allow us to reduce military aid is the tremendous stock we now have of excess defense articles. The General Accounting Office in a recent report has informed the Congress that at the end of Fiscal Year 1971 there were about $17.8 billion worth of excess defense articles available. These excess supplies are not now closely enough related to military assistance program requests to Congress, so that much more transfer of military goods occurs than the Congress is aware. The Congress must insist on knowing about these transfers and attempt to reduce military aid by making effective use of excess military supplies.

Whatever military aid we do give I think should be totally separate from economic assistance. Confusing military aid and supporting assistance for security purposes with economic aid for development serves neither program well. We need to be clear about our objectives and relate more tightly different programs to their respective goals.

BILATERAL AID

My own feeling is that we would do better to trim back our bilateral aid to meet the more liimted goals of disaster relief and humanitarian assistance. We have gained respect as a people for our generosity to those in times of acute suffering. I think this is a proper role for our bilateral program. Also we need to have a strong technical assistance program and some limited funds as trigger money to build momentum in certain cases of real importance that can bring in international agencies to keep the ball rolling once we have gotten it started. I have in mind here health, education, population and nutrition programs which directly affect poor people abroad. Many times but not always these might be part of our relief efforts. But once they begin to acquire an ongoing character our bilateral aid should be phased out and the international financial institutions brought in. The American public simply won't stand for what they see to be a permanent give-away program. Not even our voluntary agencies should stay on the ground long in a developing country. Our test should be either the program is good enough to pick up momentum of its own or we drop it.

Our aid program has become too bureaucratic, too cumbersome, and too top heavy a way of helping people. It is clear that we need to cut back the bureaucracy, especially abroad. I have been told that we have more than twenty two of AID people in Asian countries who earn over $35,000 a year. We have to bring these people home and put them to work with a limited funds we have on pressing domestic needs.

INTERNATIONAL FINANCIAL INSTITUTIONS

The international financial institutions—the World Bank, the Inter American Development Bank, the Asian Development Bank and the like—have important roles to play. They should be the principal means of channeling the world's financial resources for development. An important part of this is credit for projects in developing countries which pay back the money put into them. This kind of credit serves as an important pump priming mechanism to bring in local and foreign capital. These credits and the negotiating process that goes into them often helps countries see their own probelms more clearly and take often difficult measures to better their economic situation. This too is helpful for the flow of foreign capital. This kind of development credit is good business. It is not a give away and it helps bring still more resources to the development process.

But clearly these development banks should play a broader role than the commercial banks that work on an international basis. The World Bank should not be a competitor of Chase Manhattan Bank but play a role not fulfilled by commercial banks. These institutions are not just banks but development agencies. They should address their resources to the developing country as a whole and not just to individual companies, agencies, or groups. A significant share of their resources should go into social development projects which benefit the lower income groups in these countries. In this respect the U.S. contribution to the International Development Association (IDA) of the World Bank and the Social Progress Trust Fund of the Inter American Development Bank are important. Also of importance are the instructions we give to our directors in regard to policy decisions made regarding the Fund for Special Operations of the IDB and the regular development lending operations of the World Bank.

Despite the importance of their credit operations, these banks need to keep their broadly developmental focus, especially as we trim back our bilateral aid programs. Development in poor countries is more than simply the commercial activity we know in the United States. There are many cases abroad of adequate economic growth and insufficient social development. As our own resources become more limited we need to make sure that some of the world's development resources work for the world's poor.

OPIC

I have given some thought in the course of the Foreign Operations Subcommittee Hearings to our overseas investment insurance program administered by OPIC. I approached this issue feeling there were some very strong reasons for supporting OPIC as it is one of the useful instruments we have to help our businesses compete with the Europeans and the Japanese in foreign markets. On the other hand, though, it looks as if in some of the more controversial investment disputes that we have had government-to-government confrontation in part because of OPIC exposure. It is not clear that it is in our broader public interest to have this kind of difficulty with foreign nations over matters involving a private U.S. interest.

Now that I have gone into it some with Mr. Mills and his staff it does appear that there are other cases where OPIC has served as a means of resolving investment disputes. I was told of an expropriation case where OPIC insured loans by American banks to a foreign government to pay off an American company for their expropriated holdings. So the role OPIC plays depends on the circumstances, which tend to be fairly complicated.

It does seem to me that as far as future investment and the possibility of their expropriation, OPIC could play a preventive role. One way to do this in future OPIC insurance agreements would be to negotiate with the foreign government a requirement that, in cases of expropriation where no settlement can be reached, the case go to international arbitration. This would give OPIC a second line of defense in case they could not achieve a negotiated settlement on a bilateral basis.

Secondly, we share an interest in this area with the Europeans and the Japanese. It seems to me that we could try to form a consortium with these other governments to see that none of these governments would insure a loan unless the host country agreed to international arbitration. This would put tremendous pressure on host governments because they are looking for investment. Many times expropriation cases achieve an importance which seriously outweighs our national interest. So it often becomes a serious problem in our relations with countries that we would like to get around. But if we alone insist on some international solution it looks as if we are being paternalistic, especially in Latin America. But if that kind of demand is made on behalf of all developed countries then it would be more persuasive and take us off the hook as being the only stern-minded folk around. If we move along these lines, I think OPIC could be the most useful channel to work through in keeping expropriation cases to a minimum and getting better treatment when they occur.

TRADE

I just want to say a few words about trade. Trade is obviously of great importance in our relations with Latin America and it is something we are going to get deeply into in the Congress later this year. I feel that this is one area where we can indicate to Latin America that the region is of importance to us. This means that we should keep a special watch on the GATT negotiations as they begin and see that the agreements reached do provide access and opportunity for Latin American exports.

Another way to show we mean business with Latin America is to fulfill our long-term promise to implement a generalized system of tariff preferences. In doing this I think we must insist that the Europeans dismantle their special preference arrangements with Mediterranean countries. I don't see any reason why we should give preferences to countries in the Mediterranean who are giving European exports preference over our exports.

If we cannot get better access to the European and Japanese markets, especially in agricultural products, I think we should then look even more to how we can reduce our trade deficits with these two areas by getting some goods from Latin America that we are now getting from them Europe and Japan.

Finally, I feel that the Congress must play an active and important role in trade negotiations. Senator Long and Congressman Mills have introduced legislation to establish a Joint Committee on Foreign Trade which would provide a means by which the Congress could send delegates to the negotiation, exercise oversight and make analyses which will enable us to play a real role in setting our trade policy. This seems to me to be absolutely vital. The Congress has too often in the past—on war and the budget—given too much authority to the Executive on matters of great concern to the Congress. The Congress must play a significant part in deciding the major questions before us on trade policy.

This is precisely the difficulty now with some of the policy issues before the Congress. I want a strong trade bill. I think we need to give our negotiators at least as much leverage as their counterparts have to get concessions and changes from trading partners.

But there is now a much larger issue of how our government should operate and what the relationship should be between the different branches of government. For our government to function properly, there has to be respect between the different branches. Each branch must play its role. The Congress is given the authority by the Constitution "to regulate commerce with foreign nations". Yet the Executive Branch must be the one to negotiate trade agreements with other countries. The only way each branch can fulfill its responsibilities in the trade

area is if there is comity between the branches.

The only way we will get the changes we want in trade is if the Executive Branch and the Congress can work together and if the Congress is fully involved in the process. This means that there has to be some change in the way the Executive Branch goes about its relations with the Congress from the way it has been in the recent past on issues of war and the budget. Unless there is some change, I would take the position that we have to wait a few more years to begin trade negotiations even though I think we have some urgent trade problems to resolve with other countries. The Congress cannot be in the position again of surrendering power and authority to the Executive without assurances that its own prerogatives are going to be protected.

The Congress has a role to play also in our general policy toward Latin America. The Executive Branch is not giving much attention to Latin America these days. This in itself it seems to me gives those of us in the Congress who feel that Latin America should have a larger place in our foreign policy a role in filling this void created by the Executive.

Our business community has significant interests and challenges in Latin America. It would be both wrong and unwise for the government to abandon any interest in the region at this moment in history.

I thank you for the opportunity to share thoughts and views with you and I wish you well in an area of mutual interest and concern.

BOMBS CONTINUE TO FALL IN CAMBODIA

Mr. KENNEDY. Mr. President, there is no more pressing business before the Congress than the legislative effort to end the continued bombing of Cambodia. And there is no better evidence of the need for such legislation than the mounting statistics on the bomb tonnage dropped by American planes on the land and people of Cambodia.

According to the most recent statistics released by the Department of Defense, it is clear that every day the Congress delays the tonnage of bombs increases. Last month saw the tonnage of bombs over Cambodia up 38 percent, from 39,539 tons of bombs in March to 54,725 tons in April.

Mr. President, these statistics serve as a graphic reminder of the legislative duty before us, to end this senseless bombing of Cambodia. I ask unanimous consent that an important news report on the Cambodia bombing by Thomas Oliphant of the Boston Globe be printed in the RECORD.

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

[From the Boston Globe, June 5, 1973]

CAMBODIA BOMB TONNAGE UP 38 PERCENT—AIR WAR INTENSIFIED IN APRIL

(By Thomas Oliphant)

WASHINGTON.—The intensity of the American bombing of Cambodia increased sharply in April, according to statistics now on file at the Pentagon.

The Defense Dept's numbers show an increase of more than 38 percent in the tonnage of bombs dropped on the tiny nation—54,725 compared with 39,539 tons in March.

The April figures were collected before it became known at the end of May that the number of daily B52 missions had been reduced sharply. However, there has been no reduction in fighter—bomber missions and there is some indication the smaller number of B52 raids is being compensated for by much bigger bomb payload per plane.

Significantly, the tonnage total for the first third of 1973 is also not appreciably less than for the same period in 1971. It is almost the same as for 1967, and is much larger than the same period in 1966.

The numbers below are the Indochina bomb tonnage totals for the first four months of each of the last eight years:

1966—148,741	1970—414,166
1967—285,314	1971—315,493
1968—447,127	1972—286,690
1969—500,674	1973—265,658

Monthly figures do not exist for the first year of the air war, 1965, but the figure for the first four months of this year is only slightly less than the 315,000 tons of bombs the Pentagon says were dropped on Indochina that entire year.

So far this year, and especially since the cease-fire agreement took effect at the end of January, the monthly tonnage data has been similarly revealing.

For example, during January, when all four Indochina countries were being bombed, 101,392 tons were dropped. In April, however, even though only the smallest of the nations, Cambodia, was being bombed, the tonnage was more than half as large.

The enormity of the bombing's impact on Cambodia can be underscored when it noted that the tonnage total so far this year is far larger than the 160,800 tons of conventional bombs dropped on Japan during all of World War II.

The Japanese islands contain nearly 145,000 square miles, moreover, while Cambodia is less than half as big.

Should the bombing of Cambodia continue at roughly its present level for the rest of this year, more tons of bombs will have fallen than fell during the entire Korean War, when slightly less than 700,000 tons were dropped.

With the addition of April's figure, the bomb tonnage total for the entire Indochina conflict stands at about 7.7 million tons. This is about 2⅓ times as much as all the tonnage dropped by the US and British air forces on Europe and the entire Pacific theater during all of World War II.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

The PRESIDING OFFICER. Under the previous order, the hour of 12 o'clock having arrived, the Senate will now resume its consideration of the unfinished business, S. 1888, which the clerk will state by title.

The assistant legislative clerk read as follows:

S. 1888, to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. 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. TALMADGE. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment by the Senator from New York (Mr. BUCKLEY), amendment No. 188.

Mr. TALMADGE. That is a 3-hour limitation?

The PRESIDING OFFICER. That is correct.

Mr. TALMADGE. I thank the Chair.

Mr. President, I yield 5 minutes to the acting majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Georgia.

Mr. President, I ask unanimous consent that I may speak out of order, notwithstanding the Pastore rule of germaneness.

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

RESTORATION OF PHASE II ECONOMIC CONTROLS

Mr. ROBERT C. BYRD. Mr. President, on March 8, in remarks I made in this Chamber, I said that the administration acted prematurely in lifting phase II economic controls, and I urged that those controls be restored. I did so because I seriously questioned whether or not the administration's phase III controls could halt inflation.

I specifically raised the question with respect to food prices. I believe the answer is now self-evident. The phase III controls have not halted inflation. The price of food has increased beyond the ability of the poor to pay for it, and hardships are being worked upon American wage earners, and especially upon our citizens who have to depend upon fixed incomes for their livelihood.

At the time when I spoke previously, the U.S. Department of Agriculture was projecting a retail food price level for 1973 at 6 to 6½ percent above the level of retail prices in 1972. I was informed on this past Tuesday by the Department that that projection has now been revised upward to approximately 10 percent—and 1973 is not yet 6 months old.

When I spoke on March 8 on this subject, the Department of Labor was reporting that wholesale food prices during January of this year—the month in which the phase II controls were imprudently and prematurely removed by the administration—increased at an annual rate of 39.6 percent. That exceeded the 26.4 percent increase in December, which in itself was an intolerable rise.

But now, Mr. President, I am informed that the January through May increase—the period of the so-called controls employed in phase III—is estimated to be at an annual rate of 43.2 percent. I believe that figure was scheduled to be released by the U.S. Department of Labor today.

There is only one word to describe such an increase. It is outrageous. And action must be taken to halt this runaway spiral. American wage earners—and most certainly citizens who are not wage-earners—cannot stand the strain which is being put upon their meager resources.

I think we have had enough of cheery predictions and reassurances from the

executive branch that all is well, or is going to be all right. I think we have had enough of the kind of nonsense that has been coming this week from Mr. Herbert Stein, chairman of the Administration's Council of Economic Advisers. I noted a statement in the Washington Post in which Mr. Stein was quoted as having said that the largely voluntary phase III wage-price controls have been generally effective despite soaring prices. I further have noted that he is quoted in this week's U.S. News & World Report as having said that there is no evidence that the American consumer "is suffering," and that "nothing could be further from the truth." He ought to visit a grocery store and hear what housewives are saying about food prices.

It is not necessary, Mr. President, to draw one's conclusions from the statistics compiled by Federal agencies about the trend of inflation in the price of groceries. All one needs to do is to make a trip to his own foodstore. The continuing increase in the price of the food on its shelves is appalling. The worst aspect of the situation is that among the foodstuffs which have advanced the most in price are those basic to the diets of poor and average-income Americans. I am not talking about lobster and fillet mignon. I am talking about the price of beans, cabbage, potatoes, and hamburger—and the other common everyday staples. Compared with, say, 1967, the price of these basic foods is today astronomical—an estimated one-third more than it was then. Think of what that means in terms of modest incomes, out of which must also come the cost of the other necessities of life, such as rent, clothing, transportation, and doctors' bills—all at the highest levels they have ever been.

Phase III is a shambles. It has failed utterly to meet the glowing predictions made by the administration at the time the mandatory controls were lifted in January. And what is the administration doing now about the situation other than issuing rosy reassurances? It is reminiscent of the depression years when the Nation was told that prosperity was "just around the corner." Now we are told that the control of inflation is just around the corner, but we have never seemed to reach that corner in the 6 years in which inflation has steadily grown worse.

It would appear that the administration has become incapable of timely, firm, and decisive economic action? The President reversed himself and acted with courage and forthrightness when he instituted his first freeze of prices and and wages in August 1971. I commended him then, and I continue to think that he acted in the best interests of all of the American people. I would urge him now to act as effectively and decisively again.

Today, prices are racing upward at the fastest pace since the Korean war 22 years ago. That fact alone ought to be enough to prompt quick and effective action. This is not a partisan matter. Members on both sides of the aisle. I am sure, are equally and deeply concerned about a situation which has obviously gotten out of hand. We simply cannot as a nation afford to allow the continuation of a situation in which workers' pay checks will buy less and less and less of the necessities of life. The cost of living must be brought under control. Yet the only action which has been taken toward that end was the—for all practical purposes—superficial gesture of the meat price ceilings. As everyone knows, the ceilings were put on, and with considerable fanfare, at a time when meat prices had reached an all-time high. The administration must not wait any longer with regard to food prices, and with regard to the increasing cost of the other necessities of life.

What we have had in effect, Mr. President, in the 5 months that have elapsed since the ending of phase II's mandatory controls is 5 long months of economic foot dragging, optimistic rhetoric, and skyrocketing prices. Virtually everything upon which the administration is now depending to cool the fires of inflation—stratagems such as boosting farm production—is long-range in nature. What the country needs is action—and action now—to bring relief. We have had enough of fiddling while inflation burns us all. The stick in the closet is a joke.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

The Senate continued with the consideration of the bill (S. 1888) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

Mr. BUCKLEY. Mr. President, last night I called up my amendment No. 188. At this time, I should like to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. BUCKLEY. I am permitted, am I not, under the rules, to modify my amendment?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order for the Senator from New York (Mr. BUCKLEY) to modify his amendment.

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

Mr. BUCKLEY. I send to the desk a number of clearly technical changes in amendment No. 188 in the interest of accuracy. These changes do not change the substance of the amendment, and I ask that they be stated.

The PRESIDING OFFICER. The modifications to amendment No. 188 will be stated.

The assistant legislative clerk read as follows:

MODIFICATIONS TO AMENDMENT NO. 188

On page 1, line 7, substitute for "25" the figure "24" and add the following after the word "strike", "all after the comma through 'wage rates', on page 14, line 2".

On page 2, lines 13 and 14, delete all after the word "out" and substitute therefor " 'through 1978 crops' and insert 'crop'."

On page 2, lines 17 and 18, delete all after the word "out" and substitute therefor " 'through 1978 crops' and insert 'crop'."

On page 5, lines 5 and 6, delete all after the word "out" and substitute therefor " 'through 1978 crops' and insert 'crop'."

On page 5, lines 7 and 8, delete all after the word "out" and substitute therefor " 'through 1978 crops' and insert 'crop'."

On page 6, line 17, substitute for the figure "14" the figure "13" and add the following after the word "out", "all after the comma through 'wage rates', on line 16."

On page 6, lines 21 and 22, delete all after the word "out" and substitute therefor " 'through 1978 crops' and insert 'crop'."

Mr. BUCKLEY. Mr. President, before discussing the details, in order to put them in proper context, I should like to make a few remarks about the bill itself. I find a double irony in the title of S. 1888, the "Agricultural and Consumer Protection Act of 1973." Far from protecting the farmer and consumer, some of provisions of the bill will, instead, hurt them. In short, Mr. President, S. 1888 as it now stands is not in the interest of the farmer or consumer. With this in mind, I intend to offer other amendments to the act, not just those now pending.

I want to begin by pointing out that the use of the word "consumer" presents problems when we talk about the high cost of food. We tend to think of the food-cost problems of the housewife and the breadwinner only in terms of consumption. But the American who goes to the supermarket is not only a consumer but a taxpayer as well. The housewife's pocketbook is hurt just as much by high taxes as it is by high prices. This is why there is an urgent need to amend S. 1888. No matter what happens to prices under the "target-price" provision of the bill as it now stands, the family budget is in danger of being hurt.

We are told that the bill does not stop prices from going down and this is supposed to be reassuring to the consumer. But it is also true that if prices do go down, payments to subsidized farmers will grow. These payments do not drop from heaven like the gentle rain; they come from the same place as the money needed to buy food: the breadwinner's earnings. So it is of no benefit to the average housewife that under this bill food prices can drop.

If prices drop, money will be taken out of her husband's paycheck in order to give payments to subsidized farmers. It will be of small comfort to the housewife to know that the food which she cannot afford, because of high taxes, costs less. More than that, to the extent that high subsidy payments add to inflationary deficits, the subsidies will contribute to the increase in cost of every other item of household expense.

We are told, of course, that if market forces happen to result in agricultural prices at or above the target prices provided for in the act, and if those price levels keep up with the escalative provisions, then there will be no cost to the taxpayers. We are further told that the Federal Government can insure that "market" forces will hold prices at the required levels by the mechanism of withdrawing acreage from production.

I regret to say that I—and I suspect the great majority of other taxpayers and consumers—draw little consolation from either of these reassurances. In the first place, it is highly unrealistic to believe that market forces will continue, in respect to every affected crop, to maintain the current high price levels that have resulted, in significant part, from highly unusual factors. I need cite only the coincidence of bad growing seasons

in Australia, Southeast Asia, and Russia last year, and the unexpectedly large grain purchases made by the Soviet Union. In the second place, the withdrawal of acreage as a device to maintain prices at artificially high levels will not only not do anything for the consumer in terms of prices, it will inhibit the export of agricultural commodities in which all Americans have a critical stake in view of our balance-of-payments problems.

There is no doubt about it, Mr. President. The target price concept developed in S. 1888 is one that will deny the American consumer the full benefits that would accrue from a return to a free-market agriculture in which advances in productivity would be shared by consumer and producer alike. Quite clearly, S. 1888 not only does not help the consumer, but it continues an environment of governmental tinkering with agriculture that is bad for the producer as well.

In the first instance, the cost to the consumer is not offset by direct benefits to that sector of the farming community in whose name so much of the existing Federal intervention is justified. I speak of the smaller family farms.

This fact has been documented by D. Gale Johnson, professor of economics at Chicago University and past president of the American Farm Economic Association. In a recent study entitled "Farm Commodity Programs," Professor Johnson notes that:

The major farm commodity programs for cotton, wheat and feed grains impose substantially greater costs upon taxpayers and consumers than the benefits realized by farm families.

In recent years commodity programs have attempted to increase farm incomes by supply management and by direct payments. Supply management was designed to reduce supplies and increase market prices, and direct payments were to compensate farmers for idling part of their land.

A large fraction of the total or gross income transfer to agriculture has gone to replace income foregone, to induce production that would not have been undertaken in the absence of the payments, and has been paid to landlords who own approximately two-fifths of all farm land. With a total cost to consumers and taxpayers for the three programs of $3 billion to $4 billion in recent years, it is estimated that farm operators have retained a maximum of $1 billion to $2 billion. Most of the net benefit has been capitalized into the value of farm land. Little has been left for payment to human resources.

Moreover, most of the benefits of farm programs have gone to farm families who have incomes larger than the national average family income. Almost none has gone to low-income farm families, whether farm operators or hired farm workers . . .

But that is only part of the story. The introduction of price supports or incentives, and the accompanying system of acreage allotments and acreage withdrawals, have to too great an extent divorced American agriculture from the influences of the marketplace. These practices first came into existence almost 40 years ago, when the effort was to protect the small farmer from the consequences of an overproduction that forced prices below levels that permitted smaller farming units to survive. I will not now argue the merits of the measures then taken, or point to some of their unexpected consequences—especially as they have adversely affected the smaller family farms they were designed to protect.

Today, however, it is generally conceded that the enormous efficiency of American agriculture in the context of a sustained and growing market at home and abroad for the commodities American farmers are ideally equipped to produce has effected fundamental changes. As Secretary of Agriculture Butz pointed out in his testimony before the Agriculture Committee last March, the agricultural successes of the past 2 years demonstrate the response our farmers have been able to make to a loosening up of controls. To quote Secretary Butz:

As farmers ignored their historical acreage allotments and bases, they began to employ their land, capital and labor more efficiently and effectively. They turned to the crops best suited for their land and operations. Farm income benefited from more efficient use of farm resources.

As crop acreages shifted on individual farms, so too have they shifted regional . . . bringing new income and vitality to local areas.

Though substantial acreages have shifted, runaway surpluses have not developed as some had feared if acreage restrictions were loosened.

Plantings of profitable, needed crops have been encouraged. Farmers could turn to the market as a guide in production patterns rather than continuing to produce the same old crops on the same old acreage for fear of losing government program benefits as under former programs . . .

We are convinced that American agriculture can achieve true prosperity only if farm programs intrude minimally into farm decision making and market pricing.

As agriculture responds to the growth of markets, more idled acres will go back into production, earning more income for farmers. Production to meet market needs in combination with favorable price is the key to a continuing enhancement of farm income.

The farmer needs freedom to utilize his talents and assets, Mr. President, and this is the time to begin to give him that freedom by moving away from subsidy programs and acreage policies which have bound him in the past. What the Nation needs now is a farm program that frees rather than further restricts the initiative and energy of the American farmer. As of the moment, the bill does not do this.

I know, Mr. President, that many, perhaps most of my colleagues will think it presumptuous of a Senator from the State of New York to speak on behalf of the farmer. New York, after all, is associated in the popular mind with congested cities, industry, and high finance. In the Nation at large, there is a tendency to view my State as a vast urban sprawl extending some 500 miles from Buffalo to Manhattan.

In point of fact, however, New York is not only an urban State, it is also one of the Nation's most important agricultural States. Its 65,000 farms produce over $1,100,000,000 in gross farm sales. Milk sales of $625,000,000 make dairying the State's leading industry. Its dairy industry marks second only to Wisconsin's. New York also ranks second in the Nation in the production of apples and grapes, fifth in the production of potatoes, and 13th in livestock. New York, in short, boasts a large and varied agriculture that supports the equivalent of 150,000 full-time jobs.

More than 60 percent of our State's farmers are represented by the New York Farm Bureau. Over the years, this organization has been an active champion of its members' interests which it believes are best served by liberating American agriculture from undue governmental interference. It is clear from a letter I recently received from this organization that the farmers of my State do not want special privileges at the expense of the public-at-large. New York farmers in fact oppose just about every innovation contained in S. 1888.

The letter addressed to me by the New York Farm Bureau, under date of June 1, 1973, makes the following specific criticisms of the Agricultural and Consumer Protection Act of 1973:

1. The proposal to initiate "Target Prices" is wrong in principle. It would initiate a politically determined standard of living for America's farm families promoting dependence on Government for the difference between Target Prices and available market prices.

2. Payments to farmers should represent compliance with needed adjustment performance relative to land set aside and adjustment to market needs. Income supplement payments should be discontinued.

3. Extension of the Agricultural Act of 1970 should provide opportunities to expand foreign markets—adoption of 'Target Price' philosophy as proposed in S. 1888 would jeopardize expansion of foreign trade.

4. Dairy price supports should not be frozen at a raised level, but left to the discretion of the Secretary to be adjusted betweeen 75–90% of parity. Specific dairy import quotas should not be enacted as proposed by S. 1888.

5. Proposals for initiating an international grains agreement through allocation of markets and price fixing will not work as has been demonstrated by past attempts.

Mr. President, we have today a unique historical opportunity to shift farm policy based on the "over-production" philosophy to one that reflects the realities of today's agricultural markets. We have the opportunity to seize the precise historical moment and liberate the American farmer thereby turning loose the tremendous energy and capacity for innovation that is unequaled anywhere on the globe.

The subsidy system inhibits the flexibility and the freedom of choice that have made American agriculture one of the wonders of the world. Let the American farmer be free to choose the kind of farmer he wants to be. Let him choose which crops are going to be most profitable for him to grow based on the facts of the marketplace. Allow the farmer to stand, once more, free of the shackles of Government intervention and we will benefit all Americans and the rest of the world as well.

Mr. President, it is usually not my custom to quote from Shakespeare on the Senate floor. But today I feel I would be remiss if I did not remind you of those famous lines:

There is a tide in the affairs of men
Which, taken at the flood, leads on to fortune;

Omitted, all the voyages of their life
Is bound in shallows and miseries.

Mr. President, the tide of freedom for the farmer is now at the flood. If we take it, at this moment, it can lead to good fortune for all Americans. But if we decline to take this opportunity, if we are content to retain the restraints and artificial stimuli reflected in S. 1888, we will regret it. What is more important, the American farmer and the American consumer and taxpayer will have great cause to regret our lack of will and purpose.

INTRODUCTION FOR "TRANSITIONAL TARGET-PRICE" AMENDMENT

The purpose of my amendment No. 188 is basically to provide a transition period at the end of which direct supplementary income payments to farmers will be terminated. I hasten to add that in terminating direct income payments my amendment does not eliminate price support in the form of nonrecourse loans. These loans offer the farmer a stop-loss mechanism that protects him from major risks while providing a kind of insurance that the consumer will have food and fiber available. Thus, I want to emphasize that this amendment, while removing artificial incentives for the planting of crops for sale to the Government rather than in response to consumer demand, in no way leaves the farmer without the basic protection provided him by the no-recourse loan system.

Before I describe the mechanics of the amendment, however, I think it is necessary to sketch in, as it were, some details that will place this amendment in proper historical perspective.

The Agricultural Adjustment Act of 1933 was designed to meet an emergency. Although there have been many changes in details, the major farm commodity programs of today are based on the same philosophy that Government must intervene, to either adjust supply to maintain prices that are politically acceptable or, failing in that, to make payments to producers of certain farm crops to bring returns to an acceptable level. This is the philosophy behind supply management prior to the adoption of the 1970 Agricultural Act.

Since acreage allotments for the individual crops did not act as a restraint on production—advances in agricultural technology having made it possible to produce more and more on the designated acreage—the 1970 Act attempted to remedy this situation by moving to a set-aside program. Participation in the program requires that a percentage of the base acreage be set aside for either producing whatever the farm operator wishes, producing nothing, or, in the case of the feed grain program, producing other designated crops.

While this "set-aside" program was a welcome change from the restrictive policies of the past, it was, I am convinced, only a first step toward liberating the farmer. The time has now come to move forward not by an abrupt termination of income supplements but through a period of transition that will move us toward the desired end of a flexible agricultural system keyed to market influences rather than to meet Federal goals.

Proponents of Senate bill 1888 espouse the theory that if market prices of wheat, feed grains, and cotton remain at present levels, costs to the Government would be negligible. In the words of the committee report:

The country appears to be moving toward a period of shorter supplies of food and fiber with consequent higher prices to consumers. The purpose of this bill is to assure the production of adequate supplies at reasonable prices to consumers by insuring producers against losses if their expanded production results in prices below the target prices.

If market prices rise above the target prices, the cost to the government will be nothing. If prices fall below the target prices, the consumer will reap the advantage and the persons meeting the consumers' needs for food and fibre will have been protected from the price effects of excess production.

This reasoning, Mr. President, completely ignores the mechanism of the marketplace. Producers, whether they be farmers or any other group engaged in economic activities, will, under the stimulus of high prices, respond to shortages by increasing production; and as production rises, the unit cost of production should decline. Thus the benefits of higher productivity can be shared by the consumer in the form of stable or lower prices, and by the producer in the form of greater income resulting from increased production. This is fundamental to our whole economic system that depends on the sensitive interplay of market forces to assure that production meets demand at the most reasonable price consistent with a fair return on investment.

It is well known, of course, that farming is subject to special risks which justify special measures. And this, of course, is why we have programs designed to protect the farmer on the downside, such as the provision of no-recourse loans. The target price technique, however, does not address itself to these special problems unique to agriculture but introduces an entirely new concept that could be applied to almost any sector of our economy—in some cases with far greater justification than in agriculture.

The passages I have cited from the committee report also fail to describe the impact of applying the target price mechanism to just a few farm commodities. It fails to mention the inhibitions artificially created to switch acreage from the production of the crops affected to other crops which in a free market might be equally profitable at such times as a response to market conditions eliminates the shortages which are spoken of as justification for the target price system in the first instance.

A real danger of S. 1888 that the report does not dwell upon is the potential that exists for astronomical Government costs which could very easily occur in a year when, because of favorable crop conditions in this Nation and in other grain-producing nations of the world, the market price would dip below currently prevailing levels.

Assuming that market prices for wheat, corn, and cotton should recede only to levels approximately 10 percent above the average of prices for these crops during the 1965–72 period, reliable estimates indicate that by 1978 Government costs through direct payments would approximate between $7 and $8 billion given an assumed yearly increase in the cost of production of 4 percent. Based on these estimates, 1978 feed grain costs would total between $4 and $5 billion, wheat costs would amount to over $2 billion, and cotton costs would be over $1 billion. However, this estimate of potential cost does not by any means represent the maximum that could occur under an overproduction situation. If prices of these crops should recede to near current loan levels, as was the case only a few short years ago, costs to the Government could very well increase by an additional 30 percent.

If significant acreage set-asides were resorted to to minimize subsidy payments, the resulting high prices would hurt not only the American consumer but our Nation's agricultural exports as well. Given the great and growing importance of these exports in helping redress our imbalance of payments, we ought to think carefully before we either price our products out of international markets, or create disincentives to the growing of products which the marketplace indicates are in great demand. To put it another way, we should think twice before discouraging a switch to soybeans.

Last year, the sale of agricultural products accounted for $9.4 billion out of a total of $43.9 billion in foreign sales, which meant that agricultural exports made up 19 percent of the whole. Last year, of course, was not an ordinary year as we all know. But the signs are clear. As the Japanese, the Russians and others seek to upgrade their diets, the overall demand for reasonably priced American farm products can only grow.

There will, of course, be a period of adjustment to the new, freer conditions. This is why my amendment is designed to provide a period of transition during which American agriculture can once again become fully market oriented.

This amendment retains for the 1974 crop year the target price concept of the Agricultural and Consumer Protection Act of 1973 as it concerns wheat, feed grains and cotton, including elimination of the wheat certificates.

In 1975, payments for the above mentioned commodities will be gradually reduced in accordance with rates of payments designated by the Secretary of Agriculture based on existing market conditions over a 3-year period. The Secretary must, however, end payments at the end of 3 years.

This procedure will eliminate the use of historical assignments of acreage allotments for the above commodities as a basis for computing how much is to be paid.

It is of the utmost importance to understand this amendment does retain the authority for the Secretary of Agriculture to put into action a standby program for acreage diversion to be utilized when unusual demand or supply conditions have prevailed and stocks have accumulated. Payments under the standby program will be only those necessary to induce farmers on a voluntary basis to reduce output to the desired level. Summer fallow will no longer be counted as set-aside acreage.

As I have emphasized previously, price supports in the form of nonrecourse loans will continue to be provided on

specified commodities for farmers who participate in the programs.

Mr. President, this amendment will enable the American farmer to make a rational and orderly transition to a market-oriented agriculture, and away from a philosophy of agriculture economy that, whatever its reason for being in the past, has outlived its usefulness.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield myself such time as I may require.

Mr. President, this amendment would retain the target price level only for the 1974 crops of wheat, feed grains, and cotton. Subsequent target price levels and payments, if any, would be at the discretion of the Secretary in order to achieve a complete phaseout of payments to producers after the 1977 crop.

The amendment also authorizes a set-aside program for the 1975 through 1978 on a cropland basis.

Mr. President, this is but another variation of the several amendments to the bill offered by the distinguished junior Senator from New York.

It too in effect condemns farmers to the vagaries of the marketplace.

On the one hand, we have our Government exhorting farmers to produce at record levels. And this is right and proper, because our stocks are at very low levels and we want to assure our people that there will be an abundance of food and fiber at their disposal.

But on the other hand, this amendment says to farmers—Oh yes. We want you to plant—but—at your own risk. Your Government is not going to help you at all.

Go broke producing bumper crops. Just so we can give away all we want to some of our so-called foreign friends. They need this food—but we do not want them to have to pay very much for it.

This amendment also tells our domestic consumers that you will have an abundance of food this next year. And if farmers go broke that is alright. The big conglomerates will buy them out. Those people can stand to lose a little money in agriculture.

The family farm? Well, that will be the thing of the past.

Mr. President, this is essentially the same proposal made by the Department of Agriculture and was rejected unanimously by your committee.

It was rejected for a number of reasons:

First, it did not assure our consumers of a continuing ample supply of food and fiber for the future.

Second, it seems counter to the protection of our family-farm system of agriculture.

Third, it was not geared to the challenges of the future for both domestic and export requirements.

Fourth, it did not provide our Nation's farmers with any real protection whatsoever.

Fifth, it did not provide the incentives our farmers must have if they are to gear up to produce as their Government asks.

Mr. President, the Committee on Agriculture and Forestry has been made acutely aware of a possible permanent upward surge in the demand for food and fiber both at home and abroad.

With this in mind, your committee has designed a bill whose main purpose is to induce greater productivity on our Nation's farms, thereby assuring consumers of an abundance of food and fiber at reasonable prices, not only next year but in later years as well.

At the present time there are only 2.8 million farms left in the United States and the farm population is now less than 5 percent of the total population.

And yet this small number of farms and farmers must now feed 210 million persons in this country and many more millions throughout the world who depend upon these farms and operators for most of their food and fiber.

By the time the provisions of this bill fully expire, there will be in this country an estimated additional 20 million Americans and hundreds of millions more throughout the world who must be fed.

Therefore, the thrust of the bill is to the future.

Admittedly difficult, we could live without a television set, but without a doubt, we cannot live without bread.

It is in the national interest to maintain a strong and viable and productive agriculture. This is becoming increasingly evident as more and more people depend on fewer and fewer farms for their very life blood.

To accept the amendment now before the Senate would expose this Nation to a possible disastrous situation.

Imagine if you can, prices 10 or more times higher than they are today.

Imagine if you can, long lines of people waiting to buy a loaf of bread.

Imagine if you can, in this land of plenty, empty grocery store shelves.

Now, Mr. President, this may sound farfetched, but I can assure you that there is much truth in it.

Our Nation's farmers cannot produce the food and fiber we so sorely need unless some protection is provided. And only the bill approved by your committee and reported unanimously does this.

I urge you for the sake of the future of this Nation to reject this amendment.

I reserve the remainder of my time.

I yield such time to the Senator from North Dakota (Mr. YOUNG) as he may desire.

Mr. YOUNG. Mr. President, I shall take only a few minutes.

Mr. President, this amendment would be a disaster not only for farmers but consumers as well. Because of the farm programs we have had for years and which are being opposed today, our farmers are the most efficient producers in the entire world. We have exported more than $11 billion worth of farm commodities this year. It has been tremendously helpful in our balance-of-payments problem.

With respect to wheat, after all these huge exports, we still have on hand approximately 450 million bushels.

Farmers are asked to increase their production in an effort to make greater supplies available to consumers and to level off prices. Farmers cannot take the risk of increasing production and wind up with price-busting surpluses.

The target price amendment in the bill meets with consumer opposition. If prices remain high, there will be no production payments to the farmers. As it is now under the present program even with these higher prices, there are some production payments. The target price provisions of this bill give some assurance that prices will remain good. The only time farmers will receive payments is when prices go down below established prices.

I know there is opposition to this bill by the American Farm Bureau Federation. I have been here 28 years. I remember the times when President O'Neal, of Alabama, was president of the American Farm Bureau Federation that organization supported these programs. The target price provision opposed by Farm Bureau is the guts of this bill. The farmers themselves do not run this organization. I notice the Senators from southern States, where Farm Bureau is the only farm organization, have been unanimously supporting these price support programs. This has been true for years.

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

Mr. YOUNG. I yield.

Mr. TALMADGE. As the Senator knows, the Georgia Farm Bureau has not supported the National Farm Bureau Federation for 20 years.

Mr. YOUNG. My own State farm organization does not support the organization position either.

I might go a bit further. When I came to the Senate, in the six States surrounding the St. Paul-Minneapolis area, there were 12 Republican Senators. I am the only one left. The major reason for it was that Republicans followed bad farm recommendations too much. The voters stopped voting for them.

Mr. President, from any standpoint, this amendment would be a disaster.

Mr. TALMADGE. Mr. President, I reserve the remainder of my time.

Mr. PERCY. Mr. President, would the distinguished Senator from New York yield me 5 minutes?

Mr. BUCKLEY. Mr. President, I yield to the distinguished Senator from Illinois such time as the Senator requires.

Mr. PERCY. Mr. President, I am very appreciative of the arguments that have been advanced by my distinguished colleagues who have for so long represented the interests of the country and the American farmer on the Committee on Agriculture and Forestry.

I am not a dirt farmer myself, although I try very hard to reflect the viewpoints and the attitudes of the many, many farmers in the State of Illinois, which is my duty and responsibility.

Mr. President, I also have an agricultural advisory committee that I keep in very close touch with, which represents a cross section of some of the most able and sound farmers in the State of Illinois.

I support the Buckley amendment, because I feel that it represents the view-

point of most of the farming community in Illinois.

I do feel that it is inaccurate to assume, as some persons have, and wrongly so, that S. 1888 simply extends for 5 additional years the Agricultural Act of 1970. While S. 1888 does extend the Agricultural Act of 1970, it makes several significant changes in that legislation. And it is one of those very significant changes that the Senator from New York (Mr. BUCKLEY) is now focusing on in his amendment.

The major change is the method used to determine payments to individual farmers. Through changes the bill makes, it carries the potential of becoming very costly to taxpayers and detrimental to the expansion of world markets for U.S. farm commodities. One careful estimate indicates that taxpayers could be paying farmers as much as $7 billion a year by 1978 under provisions of the bill.

This major change in S. 1888, compared with the Agricultural Act of 1970, is the provision to make "deficiency payments" to eligible farmers. The payment provisions of the act of 1970 are wiped out by S. 1888.

The bill would set up deficiency payments to eligible farmers based upon the difference between "target prices" and weighted market prices.

Target prices for 1974 are included in the legislation. These initial target prices would be changed annually during the 4-year period ending in 1978 by a formula contained in the legislation. The formula merely ties target prices to an index—and other factors—indicating average farm production cost changes.

The target prices contained in S. 1888 for corn and wheat are $1.53 and $2.28 per bushel, respectively, and 43 cents per pound for cotton. Other feed grain target prices are based on their equivalent value to corn.

The weighted average annual market price to farmers, for the purpose of calculating deficiency payments, is based on actual market prices over the first 5 months of each year.

The payment to be made to a farmer would be based on the difference between this average weighted market price and the target price for that year times his acreage allotment times his normal yield.

Mr. President, I have asked the Department of Agriculture to provide to me estimates of what this would actually mean.

Based on estimated weighted market prices of $1.50 per bushel for wheat in 1974; $1.29 for corn and $.29 a pound for cotton, the program is estimated to cost taxpayers $3.7 billion in 1974 compared to a 1973 cost, under the act of 1970, of $2.8 billion.

But as target prices escalate from year to year, the cost of the program likewise would escalate unless prices in the marketplace also moved up. For instance, if farm production costs rise at a 4-percent inflation rate in 1974 and a somewhat lower rate after that, the 1978 cost of the program could reach $7.0 billion unless prices of the involved commodities escalated beyond the relatively "strong" levels now prevailing.

Here is the way the program would affect farmers and consumers:

If open market prices increased, the farmer would get more money from the marketplace and less from taxpayers through deficiency payments. In short, he would get the target price—"no matter what." This is the price floor.

Consumers or users of the involved commodities would pay the annual target prices either in the marketplace or in tax expenditures.

Hence the committee report on S. 1888 is somewhat incomplete in that it overlooks these facts. The purpose of the legislation, as explained in the report:

> Is to assure the production of adequate supplies (of food and fiber) at reasonable prices to consumers by insuring producers against losses if their expanded production results in prices below the target prices.

The point is that consumer users would pay target prices either in the marketplace or in the tax payment checks written to the Internal Revenue Service.

S. 1888 would put the Government in the position of being a cost fixer to consumers and an income guaranteer to producers. And both of these processes would take place without reference to the real demands of users. Such cost and income fixing gives these feed and fiber items a public utility status in that a public body—Congress—decides target prices.

Mr. President, I feel very strongly about this principle. I am not without sympathy for what goes on inside an industry, when people many times are not willing to undergo the rigors of a free market. That is really what we are facing with the farmers, although all the people in this country at various times have been subjected to a very, very difficult condition in free markets, based on our past experience.

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

Mr. PERCY. I yield.

Mr. YOUNG. Is the Senator aware that the Department of Agriculture, through Secretary Brunthaven, testified before the House Agriculture Committee yesterday in favor of the target price concept? The only difference between their position and my position is the level of the target price. They favor $1.86 a bushel for wheat and the recommendation in the Agriculture Committee bill is $2.28 a bushel. They have recognized that the target price feature is a good feature.

Mr. PERCY. I am glad to be reminded of that. I was aware of it; but I do point out that there is a whale of a difference between those two prices. One can be for something in principle, I suppose, but when he gets down to implementing it, the dollars and cents figure is very, very crucial.

But I have seen the thinking that goes on inside an industry, such as industries I have been associated with. We certainly did a great deal of thinking along with other manufacturers of photographic materials. Other companies said they simply could not be expected to compete with companies in the world market. They had to be protected. They did not seek a guarantee. They wanted a little old tariff which would be imposed on all products coming into this country, a tariff so great that no one else could really effectively compete in the free market. That was their way of saying there was an assured market; that there would be no competition from people who compete from abroad.

My feeling on this subject, and my conviction that the amendment is right, is based on some 25 years' experience in the talking and thinking within my own industry and community. If one wants a free market, he has to believe in it and have faith in it.

If we look at the strength of the 112 or 114 agricultural products that engage in the free market and then look at the strength of soybeans, that have not been subjected to this kind of control of surplus products, we can see the advantages of free markets. It seems to me that the products that have been protected for some 30 years have been the problem crops.

Mr. BUCKLEY. Mr. President, I find the Senator's comments most interesting. First of all, one of the great problems of tax reform is that just about every industry has its own little shelter, its little privileges. It is almost impossible to legislate generally for them.

We found that businessmen were recommending a continuation of those controls which were affecting their own freedom of action, because they would rather have the Government take over the problems of negotiating with labor, with contracts coming due involving some 4.5 million workers.

But getting on to the example of a free commodity which the Senator has cited; namely, soybeans. We come to a situation here where not only do we see the fervent way in which agricultural communities react to a felt need, but in point of fact is it not so that the existing regulations and legislation introduced affect a vast acreage which, in effect, commits them to continued growth of special commodities which has inhibited a transfer from wheat or from the feed grain or whatnot to soybean and other commodities? Thereby we have, by protecting some commodities, in a sense caused the public to sustain a shortage in another.

If the farm community could be freed up, then, of course, they would respond the way any other business enterprise, any other economic enterprise in our country does to market need.

I would like to say also that the distinguished Senator from Georgia and the distinguished Senator from North Dakota stated that at least in their areas, the Farm Bureau did not speak for the farmers. I will state categorically that it does speak for the farmers in New York State, and it is a very large farming community, because these farmers have found themselves helped, historically, by the Farm Bureau.

Mr. PERCY. Mr. President, I would like to state that the assumptions made by my colleague from New York are absolutely correct. I have, in the past, declared a conflict of interest in these matters, because, while I do not own a farm, my wife does and I have actually checked to see what the farm managers were doing. With $10.45 soybeans, I should think

they would plant soybeans in lieu of any other crop. But, no, they really feel that when we are talking about greater commercial possibilities of other crops, they should not move dramatically in favor of the crop which the market says we are in short supply of, with expanding world markets, a high protein crop, with high meat costs, and a fine food product.

No, we are somehow interfering with the free food market by these high support prices in other areas, and my own experience, limited as it is, would certainly bear out the comments that have been made.

In my industrial experience, I would say that had we permitted those protectionists in my own industry who controlled the industry for years and whom I had to come down and testify against before congressional committees, if we had permitted them to protect that industry, to keep the tariffs artifically high, the industry would never have been forced into the tremendous technological advances which have made us once again the preeminent manufacturers in the world of this particular type product. It is even to the point now where the main thing I have recently seen about Kodak is the fear that America is dominating the world markets, whereas, had we been protected and restricted in that area, without the benefit of research and development, we would not have been in that preeminent position.

If I could make one comment about the testimony my colleagues heard yesterday before the committee, S. 1888 would put the Government in the position of being a cost fixer, as I have pointed out.

The Department of Agriculture, in testimony before the Committee on Agriculture and Forestry, suggested that income or deficiency payments to farmers should be gradually phased out which is what this amendment does. It suggested that authority to make payments to farmers should be limited in the next 2 or 3 years to that needed to place acres in the set-aside so that the set-aside system could be used if and when needed. S. 1888 moves farm programs in the opposite direction from that suggested by the Agriculture Department.

Furthermore most farmers do not wish to rely upon funds appropriated by Congress as a major source of income. And taxpayers may well rebel at anything like a $7 billion annual farm program cost, in which case resulting action would prove harmful to farmers and consumers alike.

Besides, the need to curtail Government spending in the interest of curbing inflation is imperative. The country is demanding an end to deficit spending by the Federal Government. And this legislation hinders rather than helps Congress balance the budget.

It appears also that the deficiency payment portion of S. 1888 would do violence to the current GATT negotiating position of the United States. In an effort to persuade foreign consumers, of U.S. food, feed grains, and fiber to lower or eliminate trade barriers, the United States is currently making overtures to these importers of our farm exports.

These overtures imply that because we are reducing and eliminating subsidies to farmers on U.S. agricultural exports that they should remove protective measures designed to preserve their market for their domestic products.

S. 1888 tends to destroy this essential negotiating tool.

And this prospect is particularly alarming for the reason that farmers and the Nation need expanded foreign markets. Agriculture, with its enormous productive capacity, needs expanding export markets to prevent burdensome surpluses. The national interest is served directly by the contribution that added global markets may make toward eliminating our balance-of-trade deficit.

It is essential to understand that current agricultural exports are running at near the $1 billion per month level and that production from about 85 million U.S. crop acres, out of a total of 330 million such acres, is going to foreign customers.

Mutually advantageous world trade is desirable any way you look at it. Such trade means a higher standard of living for Americans. Since farmers are the world's most efficient producers of feed grains and cotton, it is in the national interest that exports of these commodities be expanded. S. 1888 tends to erode the United States' position in taking advantage of these economic facts.

Therefore, Mr. President, I strongly support the amendment of the Senator from New York (Mr. BUCKLEY).

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

Mr. BUCKLEY. Mr. President, may I suggest that the Senator from North Dakota operate on the time of the proponents of the bill?

Mr. TALMADGE. Mr. President, I yield the Senator from North Dakota such time as he may require.

Mr. YOUNG. Mr. President, it is not true that the Secretary of Agriculture would phase out all production payments over a 3-year period. In this connection, I would like to comment on the soybean situation which the Senator has mentioned. Soybeans have been rightfully called a miracle crop. We have increased production year after year, but domestic and worldwide demand is such that we have never had a surplus. We have a severe shortage now. Soybeans can be used for so many things. The only problem with soybeans today is that if they had had a more decent and realistic price support level in the past we would have had more production. Any farmer will tell you that.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield 5 minutes to the distinguished Senator from South Dakota.

Mr. McGOVERN. Mr. President, I just want to take a few minutes to emphasize a point that I think needs to be understood, especially by the Members of the Senate who come from urban areas and who understandably are especially concerned about the consumer impact of this bill.

The first thing that needs to be said about it is that farmers are consumers as well as those who live in the cities. Most farmers buy their groceries in the supermarket, the same as the rest of us, so they are interested in the consumer aspects of this bill as well as in the income support features of it that relate to them as producers. But for many years consumer groups, those speaking for urban interests, when farm legislation has been debated, have appealed to us to use the very formula that is in this bill. They have said, "Instead of putting a high price support on agricultural produce, which forces the consumer, in effect, to pay that high price support, what we ought to do is provide a guaranteed reasonable income for the farmers in the form of direct payments that would come out of the general treasury."

That, in effect, is the provision in this bill. It is a fact that we set a target price on corn of $1.53 a bushel and a target price on wheat of $2.28 a bushel, but that is not a price support level. That is a target price, which the bill says, in effect, the farmer will either get in the marketplace or, if the market is not sustained at that level, the difference will be made up by a direct payment, not from the consumer but from the general treasury.

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

Mr. McGOVERN. I yield.

Mr. BUCKLEY. Where would the Treasury get that money, except from the consumers?

Mr. McGOVERN. The Treasury gets it from the same place it gets funds to operate the Defense Department, our education programs, our health programs, our transportation system, or anything else that is regarded as an important public responsibility.

I think the preservation of a decent income for our farmers is a legitimate public responsibility. You cannot have it both ways. You cannot argue, as many consumer advocates have, that the price support program is wrong and that we ought to insure farmers a decent return on their investment and their labor by direct payments out of the Treasury, and then argue, on the other hand, that that is a public burden on the taxpayer.

The truth is that when you set a target price of $1.53 on corn or $2.28 on wheat, or the 43 cents a pound target price on cotton, that is a reasonable price. As a matter of fact, if you look at the committee's report, and compare the income of the farmer over the past year with the increases which are taking place in industrial wages and other costs, we discover that farm price increases have lagged behind the increases of other things in the economy.

For example, if food prices had gone up at the same pace as the average hourly wage in industry, we would now be paying 38 cents for a 1-pound loaf of bread, not 25 cents as we pay today, we would pay 55 cents for a quart of milk instead of 31 cents, and we would pay $1.61 for a dozen eggs instead of 69 cents.

So, even if one assumes that the increase in the price of food could be blamed entirely on the farmer—which it cannot—but let us assume that, for purposes of the argument, the facts are that

industrial wages have gone up at a much more rapid rate over the past few years than have food prices.

The facts are that the farm income in this country is still about two-thirds the per capita income of the Nation as a whole.

What we are attempting to do in this bill is to put some reasonable guarantee into the farm structure so that farm families can stay on the land and survive.

I really do not see how anyone can vote in favor of the action the House took yesterday to increase the minimum hourly wage to $2.20 an hour and then say that the farmer is not entitled to $1.53 on a bushel of corn or $2.28 on a bushel of wheat. We cannot say to the farmer, "Go out into the free market and take whatever you get for your production, but we will protect the industrial workers, we will see to it that those who work in the industrial side of the economy, those who work in the great cities, will be guaranteed a certain level of income, but the several million people who live on the land and provide food supply will have to take whatever they get without any protection at all."

Again I want to stress to the Senator from New York that the predictions the Department of Agriculture have made to us in recent months indicate that the market level will be somewhere close to the target price in this bill and will not cost the taxpayer one dime. If the market holds at a reasonable level and the farmers sell their wheat somewhere around $2.28 a bushel or their corn around $1.53 a bushel, that is a reasonably fair price. That is about where projections indicate the market will be. If that is the case——

Mr. TALMADGE. Mr. President, will the Senator from South Dakota yield at that point?

Mr. McGOVERN. I yield.

Mr. TALMADGE. Is it not a fact that the futures market, all three commodities, cotton, wheat, and corn, is much higher than the target price in the bill?

Mr. McGOVERN. That is absolutely correct.

Mr. TALMADGE. I thank the Senator.

Mr. McGOVERN. The futures market indicates that the market price will be somewhere above what this bill provides for.

What I am trying to say to the Senator and to others concerned about the cost of the bill, laying aside the matter of justice to the farmers, but to those concentrating on the cost of the bill, if present projections hold and the market prices are somewhere at a reasonable level, this bill will be cheaper than the present program. It will not cost the taxpayers one dime.

On the other hand, if, in order to provide an adequate supply of food for this country so that we do not risk running out of food, our calculations or projections err a little bit on the side of producing more than the market actually requires, that does two things: One, it protects the consumer against a shortage; but, second, it may jeopardize the farmers' market and we may have a modest skidoff in market prices. If there is a miscalculation and the market does slide off a little below the $1.53 a bushel for corn, or the $2.28 a bushel for wheat, I cannot imagine any taxpayer being so stingy that he would say to the farmer: "You should take the loss. We asked you to go out and produce enough so that we would not have to go hungry, but now we are saying to you, since you did that and increased production, you take the loss involved in a decrease in the price of corn, wheat, or cotton, or whatever the case may be."

I cannot believe that our taxpayers would be that selfish. I think they are willing to underwrite an agricultural program that will provide a decent return to the farmer and provide an adequate supply of food for our consumers that will help to halt the steady migration of people from the farms to the cities which are already overcrowded.

I think the bill is well named, I would say to the Senator from New York. It is the Agricultural and Consumer Protection Act of 1973. That is exactly what it is. It is designed to protect the most important industry in this country, which is our food-producing industry. It is also designed to protect the consumers, whose lives depend on an adequate supply of food.

Yesterday, the Wall Street Journal reported that in India, Bangladesh, and Pakistan, in that part of the world, perhaps as many as 220 million people face the prospect of serious food shortages, perhaps outright starvation.

Fortunately, in this country we have farmers who have steadily increased their production and have given us the best supply of food in the world.

We do not want that industry to be eroded by unfair prices, or unfair income assurances. I think that this bill is a fair one to all concerned, and I earnestly hope that the Senator's amendment will be rejected.

Mr. President, I resent the assertions that the prices of farm products are too high. In most instances, they are not high enough.

Certainly farm prices are higher than they were last year at this time. And they are higher than last fall. But, in relationship to other products, the prices of farm products and food are not high.

No one likes to pay $1 a pound for hamburger, 69 cents a pound for lettuce or 65 cents a half gallon for milk. But neither does anyone like to pay 9 percent interest rates on loans, $5,000 for an automobile or $30 for a pair of shoes.

Let us look at the price of food in relationship to the price of other commodities since 1950:

If the price of choice steers had gone up as much as the price of a first-class postage stamp, steers would bring $77 per hundred pounds instead of $45.

If beef prices had increased as much as the cost of medical care, steers would sell for $72.34.

If the increase had been as great as hourly manufacturing, steers would sell for $80.69.

Compared with the cost of having a baby, the figure would be $119.13.

Compared to the daily cost of hospital service, cattle would sell for $179.69.

One can also compare the cost of beef in the United States with the cost of beef in other countries. Only in Australia and Argentina, to my knowledge, are beef prices as comparatively cheap as they are in the United States.

For instance, the live cattle price in Western Europe at the beginning of this year was $56 per hundredweight.

It is a mistake to blame the farmer for higher food prices. They are not protected by franchises, patents, licenses or by seniority. They do not enjoy industry-wide contracts, escalator clauses, cost of living increases in salaries, nor the economic ability to force higher prices and hold them. The target price concept, for the first time, provides a minimum wage with a cost-of-living increase.

Theirs is a risky business. That is because farmers deal largely in perishable products that must be sold when ready and they are less able to pass along their costs than most other major economic groups.

If farmers really had the ability to pass on higher costs, farm policy as we know it would not exist. Instead, farm policy would likely be a series of antitrust cases. Food costs would have increased in line with other prices in the United States.

What has happened is that, in recent months, demand for available supplies of livestock, poultry, eggs, soybeans and grains has been unusually strong. Prices on livestock and soybeans in particular moved to new record highs.

The publicity offered by actions of a few frustrated consumers often suggests erroneously that farmers can raise their prices in response to rising input costs. For example, we have read or heard such statements as: "Since the farmer has to pay three times as much for his feed as he previously did, he is passing along the price increase to the consumer." This type of pricing just had not worked in agriculture; however, many other parts of the nonagricultural economy have been able to gear their output to the amount demanded at a set price.

Instead, farmers produce the commodity, then accept whatever the market is willing to pay them at the time the product is ready to sell. The problem is that the farmers are about a year or two behind in market planning. That is, their production plans for specific farm products are based on the price and profit levels experienced in the previous production marketing period.

Farmers may have a price advantage right now, but they are expanding breeding herds and may respond so well to the greater demand that the farm prices they receive may, within the next few years, swing all the way back to the unprofitable levels of the last cattle cycle. Experience has taught farmers that all too often farm prices can fall very rapidly if production expands too much. However, farmers also note that they have never experienced a corresponding drop in production expenses.

Most of the time the consumer has the advantage over the farmer in the American production and marketing system. Agriculture's large capacity to produce had more often than not provided more products than could be marketed at reasonably profitable prices. More often

than not consumers as a group enjoy relatively low prices for food.

Because of the Cost of Living Council's action, the retail price ceiling and the packer margin freeze, live cattle or hog prices can move in two directions—steady or down, assuming retailer margins do not shrink.

Mr. President, I ask unanimous consent to have some pertinent data on this subject printed in the RECORD.

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

[From South Dakota Wheat Grower, May, 1973]

IF YOU BELIEVE IT'S THE FARMER . . . YOU'RE WRONG!

Since 1950 Farm Income has gone up only 6% but . . . all farm costs have increased 109%; farm taxes have risen 297%; farm labor costs have gone up 141%; farm machinery prices are up 100%.

A late March snowstorm hit at the peak of calving. Thousands and thousands of cattle were killed. Many more are dead as a result of pneumonia and scours. The equivalent of one million cattle are lost as the result of adverse weather in a five-state area.

No. It's not the farmer. He's doing today what he's been doing all along; providing you with the best bargain there is—FOOD—and at the most reasonable prices ever!

Don't knock him. Support him.

COLLEGE OF AGRICULTURE
AND BIOLOGICAL SCIENCES,
Brookings, S. Dak., May 5, 1973.

Mr. AL HAUFFE
Leola, S.D.

DEAR MR. HAUFFE, This letter responds to your inquiry of April 16, 1973. We have assembled information on farmers' and consumers' prices for food and farm inputs from 1950 to 1973. We are also including data on personal incomes of the farm and nonfarm population.

The rest of the letter describes the information and points out some conclusions that can be drawn from the data.

THE DATA

All data are annual averages except 1973. The data for 1973 are estimates of annual rates during the first quarter. They are all drawn from official government sources.

BASE PERIOD

Price data expressed as index numbers were computed on a 1950 base, i.e. 1950 equals 100. A common base facilitates comparison of relative changes in the price of items with considerable different absolute prices. A 1950 base shows at a glance the price current levels and the patterns of change over a long period.

CONSUMERS' INCOME AND EXPENDITURES (TABLE 1)

Disposable personal income per capita (after taxes) reached a record high level during the first quarter of 1973. For the first time the annual rate was over $4,000 per person. Expenditures for food per capita in 1973 were *double* the 1950 rate while disposable personal income expanded *three fold* during the same period.

TABLE 1.—CONSUMER'S PER CAPITA INCOME, EXPENDITURES FOR GOODS AND SERVICES AND FOOD EXPENDITURES AS A PERCENTAGE OF INCOME

Year	Disposable personal income (dollars)	Expenditures: For goods and services (dollars)	Expenditures: For food (dollars)	Food expenditures in relation to income: All food (percent)	Food expenditures in relation to income: Farm food (percent)
1947	1,178.0	1,153.0	303.0	25.7	24.7
1948	1,290.0	1,184.0	316.0	24.5	23.7
1949	1,264.0	1,185.0	300.0	23.8	23.0
1950	1,364.0	1,259.0	303.0	22.2	21.7
1951	1,468.0	1,337.0	332.0	23.0	21.7
1952	1,518.0	1,381.0	348.0	23.0	21.4
1953	1,58 .0	1,441.0	347.0	22.0	20.2
1954	1,585.0	1,456.0	348.0	22.0	19.9
1955	1,666.0	1,539.0	351.0	21.1	19.3
1956	1,743.0	1,585.0	359.0	20.6	18.9
1957	1,801.0	1,643.0	373.0	20.7	18.9
1958	1,831.0	1,666.0	383.0	20.9	19.1
1959	1,905.0	1,758.0	386.0	20.3	18.9
1960	1,937.0	1,800.0	388.0	20.0	19.1
1961	1,984.0	1,845.0	392.0	19.8	18.8
1962	2,066.0	1,903.0	398.0	19.3	18.5
1963	2,138.0	1,981.0	404.0	18.9	18.3
1964	2,284.0	2,091.0	419.0	18.4	17.7
1965	2,437.0	2,228.0	442.0	18.1	17.7
1966	2,605.0	2,372.0	473.0	17.2	16.3
1967	2,751.0	2,476.0	473.0	17.2	16.3
1968	2,946.0	2,671.0	497.0	16.9	15.9
1969	3,130.0	2,854.0	524.0	16.7	15.6
1970	3,358.0	3,010.0	557.0	16.6	15.4
1971	3,595.0	3,211.0	567.0	15.8	14.9
1972	3,807.0	3,453.0	597.0	15.7	0
1973	4,064.0	0	632.0	15.6	0

Note: Compiled from Federal and State official data.

Source: Economics Department, South Dakota State University.

FARMERS; WHOLESALE, AND CONSUMERS PRICES FOR FOOD

During the 1950–1973 period the changes in prices ranked as follows:

	Percent
Prices paid by farmers	81.6
Consumers' prices for all goods and services	78.5
Consumer prices for all foods (including imported, sea foods, and meals away from home)	76.0
Farm-Retail Spread (Marketing, transportation, and processing cost between farm and consumer)	72.8
Retail store prices for food produced on U.S. farms	61.0
Wholesale prices for all goods and services	53.7
Prices received by farmers	48.4
Price (farm value) of food at the farm	48.0

Prices paid by farmers, consumers' prices and the farm-retail spread advanced steadily during the 1950–73 period. Prices received by farmers for all products and for food were nearly stable from 1949 to 1969. Their increase for the entire period has occurred during the last five years.

TABLE 2.—FARMERS', WHOLESALE, AND CONSUMERS PRICES, 1947–73

[1950=100]

Year	Received by farmers	Paid by farmers	Wholesale	Consumers'	All food	U.S. farm originated food	Farm value of food	Farm-retail spread
1947	107.0	93.8	93.9	92.8	54.5	98.9	108.0	90.7
1948	111.2	101.6	101.2	100.0	102.8	106.5	114.9	98.9
1949	96.9	98.0	96.2	99.0	98.7	89.6	100.7	100.6
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	117.1	110.2	111.4	107.9	111.1	111.0	114.9	107.6
1952	111.6	112.1	108.3	110.3	113.2	112.2	111.6	112.7
1953	98.8	108.2	106.8	111.1	111.4	108.9	103.1	114.0
1954	95.3	108.6	107.1	111.7	111.1	106.9	97.6	115.3
1955	89.9	107.8	107.3	111.2	109.5	105.1	91.3	117.5
1956	89.1	108.6	110.9	112.3	110.3	105.5	90.4	119.0
1957	91.1	112.1	114.1	115.5	114.0	109.3	93.5	123.5
1958	96.9	114.8	115.6	117.1	118.8	115.6	100.7	128.9
1959	93.0	116.4	115.9	119.4	116.9	112.9	92.8	130.9
1960	92.6	117.2	116.0	121.8	118.1	113.4	94.7	130.2
1961	93.0	118.0	115.5	122.7	119.6	113.8	93.0	132.4
1962	94.6	119.9	115.9	123.6	120.7	114.9	95.2	132.6
1963	94.6	121.9	115.9	138.1	122.4	114.7	91.1	135.9
1964	91.9	122.3	115.8	127.6	124.0	114.9	90.8	136.5
1965	96.1	125.4	118.1	130.7	126.7	118.1	100.2	134.1
1966	103.1	130.5	122.0	134.8	133.0	124.4	107.2	139.7
1967	98.4	133.6	122.2	138.7	134.2	123.1	101.0	143.0
1968	101.2	138.7	125.3	144.5	139.1	127.6	106.3	146.4
1969	106.2	145.7	130.2	152.3	146.2	134.3	115.9	150.8
1970	108.5	152.3	135.0	161.3	154.2	139.9	115.2	162.0
1971	110.5	137.5	139.2	168.2	158.9	142.5	115.7	166.5
1972	123.6	169.1	145.6	173.8	165.8	149.3	125.5	170.4
1973	148.4	181.6	153.7	178.5	176.0	161.0	148.0	172.8

Note: Compiled from Federal and State official data.

Source: Economics Department, South Dakota State University.

INCOME OF THE FARM AND NONFARM POPULATION

Personal income of farm population from farm sources includes all income received by farm residents from nonfarm sources such as wages and salaries from nonfarm employment, nonfarm business and professional income, rents from nonfarm real estate, dividends, interest, royalties, unemployment compensation and Social Security payments.

Personal income of farm population from nonfarm sources includes returns from farming operations to resident farm operators for their capital, labor and management, after deduction of farm production expenses (there is no allowance in the item farm production expenses for a return on investment in farm capital). Also includes farm wages and other labor income received by hired farm-resident workers.

Disposable personal income is personal income after deduction of taxes.

Personal income of the farm population has increased from 57.7 per cent to 82.9 per cent of personal income of the nonfarm population since 1950. This rise has occurred mainly because of the rapid increase in income of the farm population from nonfarm sources. From 1950 to 1972, personal income of the farm population from nonfarm sources rose *5.4 times*, personal income of the farm population increased *2.7 times*, and personal income of the nonfarm increased *2.6 times*.

TABLE 3.—PER CAPITA PERSONAL INCOME OF FARM, AND NONFARM POPULATION, 1947-72

Year	Personal income of farm population: From farm sources (dollars)	From nonfarm sources (dollars)	From all sources (dollars)	Disposable personal income: Farm population (dollars)	Nonfarm population (dollars)	Farm as a percentage of nonfarm (percent)
1947	613.0	205.0	818.0	774.0	1,267.0	61.1
1948	737.0	239.0	976.0	913.0	1,365.0	66.9
1949	549.0	256.0	805.0	758.0	1,362.0	55.7
1950	612.0	272.0	884.0	841.0	1,458.0	57.7
1951	740.0	297.0	1,037.0	990.0	1,548.0	64.0
1952	706.0	309.0	1,015.0	952.0	1,609.0	59.2
1953	672.0	324.0	996.0	918.0	1,677.0	54.7
1954	658.0	312.0	940.0	886.0	1,678.0	52.8
1955	597.0	325.0	922.0	854.0	1,772.0	48.2
1956	600.0	352.0	952.0	885.0	1,850.0	47.8
1957	625.0	375.0	1,000.0	927.0	1,902.0	48.7
1958	747.0	390.0	1,137.0	1,062.0	1,915.0	55.5
1959	664.0	425.0	1,089.0	1,001.0	1,998.0	50.1
1960	737.0	458.0	1,195.0	1,100.0	2,017.0	54.5
1961	824.0	509.0	1,333.0	1,226.0	2,050.0	59.8
1962	856.0	573.0	1,429.0	1,308.0	2,128.0	61.5
1963	905.0	637.0	1,543.0	1,410.0	2,193.0	64.3
1964	875.0	718.0	1,593.0	1,462.0	2,343.0	62.4
1965	1,096.0	812.0	1,908.0	1,772.0	2,481.0	71.4
1966	1,243.0	903.0	2,146.0	1,985.0	2,643.0	75.1
1967	1,209.0	1,001.0	2,210.0	2,032.0	2,791.0	72.8
1968	1,266.0	1,137.0	2,403.0	2,200.0	2,985.0	73.7
1969	1,442.0	1,231.0	2,673.0	2,406.0	3,169.0	75.9
1970	1,546.0	1,357.0	2,903.0	2,600.0	3,404.0	76.4
1971	1,651.0	1,478.0	3,129.0	2,832.0	3,662.0	78.0
1972	0	0	0	3,179.0	3,837.0	82.9

Note: Compiled from Federal and State official data.

Source: Economics Department, South Dakota State University.

PRICES PAID BY FARMERS

The following ranking shows the changes in prices paid by farmers for items used in farm production since 1950.

	Percent
Interest payable per acre	788
Taxes payable per acre	347
Wage rates for hired farm labor	191
Farm Machinery	134
Motor Vehicles	98
Building and fencing materials	74
Autos and auto supplies	70
Livestock (mainly feeder livestock)	65
Feed	41
Seed	39
Motor supplies	38
Farm supplies	28
Fertilizer	9

(A new survey of fertilizer price in April may show considerable change.)

TABLE 4.—PRICES PAID BY FARMERS

[1950=100]

Year	Feed	Livestock	Motor supplies	Motor vehicles	Farm machinery	Farm supplies	Building and fencing materials	Fertilizer	Seed	Autos and auto supplies	Interest payable per acre	Taxes payable per acre	Wage rates for hired farm labor
1947	112.4	77.6	86.6	81.3	74.9	89.9	88.8	93.1	99.1	83.9	85.4	74.1	98.6
1948	119.0	96.3	96.6	90.9	87.3	95.5	98.7	101.4	115.4	92.9	87.6	86.2	104.0
1949	98.1	85.6	98.0	100.0	98.2	99.6	97.4	104.2	104.4	98.8	92.1	93.1	101.2
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	112.4	121.9	104.7	106.9	108.0	106.9	110.9	105.6	102.2	105.1	110.1	104.7	110.6
1952	119.5	102.2	105.4	111.9	112.0	113.4	111.5	108.3	115.4	111.0	121.3	109.4	118.4
1953	108.1	73.6	107.4	110.9	113.1	110.5	112.5	109.0	105.3	113.0	131.5	114.1	120.7
1954	107.6	75.1	108.7	110.9	113.5	106.9	111.5	109.7	98.2	115.0	140.4	120.0	120.0
1955	100.5	73.9	110.1	111.9	113.5	104.9	114.1	107.6	103.1	116.9	152.8	125.9	121.4
1956	98.1	68.7	112.1	114.7	117.8	105.3	118.9	105.6	91.2	118.5	169.7	135.0	126.1
1957	95.7	77.1	116.1	123.4	123.6	106.1	122.8	106.3	94.3	124.4	187.6	144.4	131.3
1958	94.3	94.5	115.4	128.7	128.7	106.9	123.4	106.3	93.0	126.4	204.5	154.4	135.1
1959	94.8	94.5	116.1	132.8	134.5	106.1	126.0	105.6	88.6	129.9	224.7	166.2	144.0
1960	92.4	89.1	117.4	131.3	138.5	106.1	126.0	105.6	92.5	128.3	248.3	183.4	148.5
1961	93.3	88.8	118.1	130.0	142.2	107.3	125.3	106.9	91.7	125.6	271.9	193.1	150.8
1962	94.3	92.3	116.8	135.3	144.7	107.3	125.0	106.3	95.2	127.6	301.1	205.0	155.3
1963	98.6	87.3	117.4	139.7	147.3	107.7	124.7	105.6	101.3	129.5	337.1	212.8	159.3
1964	97.6	77.6	116.8	141.9	150.5	108.5	124.4	104.9	100.4	130.3	380.9	221.9	163.1
1965	98.6	85.6	118.1	145.0	154.9	109.3	125.3	105.6	103.9	131.1	430.3	236.2	171.3
1966	103.3	95.3	118.8	150.0	160.7	109.7	127.9	105.6	101.8	132.7	482.0	255.9	184.7
1967	101.0	92.5	121.5	155.6	168.0	110.9	130.4	106.3	103.5	136.2	537.1	277.5	199.3
1968	96.7	96.8	123.5	164.1	176.0	113.0	138.1	102.8	109.6	143.3	589.9	808.4	215.8
1969	97.6	108.5	127.5	170.3	185.1	115.8	148.7	98.6	111.4	148.0	639.3	342.8	227.6
1970	102.9	111.9	130.2	177.2	195.3	118.2	150.3	102.8	116.2	154.3	686.5	372.2	254.8
1971	105.7	116.9	137.6	192.2	214.5	123.5	166.3	107.6	124.1	166.1	739.3	400.3	272.0
1972	106.2	136.3	138.3	198.1	224.4	127.5	174.4	109.0	131.1	169.7	811.2	420.6	283.1
1973	141.0	165.4	138.3	198.1	234.2	127.5	174.4	109.0	138.6	169.7	887.6	447.2	291.1

Note: Compiled from Federal and State official data.

Source: Economics Department, South Dakota State University.

CHOICE BEEF AND PORK PRICES

The retail price of beef is a weighted average price of retail cuts from Choice beef carcass. The gross farm value is payment to farmer for quantity of Choice steer equivalent to 1 pound of retail cuts sold to consumers—2.12 pounds in 1949-51, gradually increased to 2.28 pounds from 1962 on. The byproduct allowance is the portion of gross farm value attributed to edible and inedible byproducts.

The retail price of work is a weighted average price of loin cuts; ham (whole, center slices, butts, and shank ends); picnics (smoked); butts; spareribs; bacon squares; sausage; neckbones; forefeet; and pigtails. The gross farm value is payment to farmer for quantity of live hog equivalent to 1 pound of pork sold to consumers—2.13 pounds in January-June 1949, gradually decreased to 1.97 pounds in 1969. The byproduct allowance is the portion of gross farm value attributed to lard and other edible and inedible byproducts.

The net farm value is gross farm value minus byproduct allowance.

The rise of 54.6 cents per pound in the retail price of choice beef from 1950 to 1973 is a percentage increase of 73 per cent. This change compares with an increase of 78.5 per cent for all goods and services and an increase of 76 per cent for all food during the same period.

The retail price of pork increased 44.3 cents per pound from 1950 to 1973. This rise in retail pork prices was 82.3 per cent. The percentage change from 1950 to 1973 in the component of the retail price (net farm value) going to the farmer was 58 per cent for choice beef and 85 per cent for pork.

Sincerely yours,

ROBERT E. OLSON,
Associate Professor.

TABLE 5.—CHOICE BEEF-RETAIL PRICE, FARM-RETAIL SPREAD, NET FARM VALUE, BYPRODUCT ALLOWANCE, GROSS FARM VALUE, AND PRICE RECEIVED BY FARMERS FOR BEEF CATTLE IN SOUTH DAKOTA

Year	Retail price per pound (cents)	Farm-retail spread (cents)	Choice beef net farm value (cents)	Byproduct allowance (cents)	Gross farm value (cents)	Prices received by South Dakota farmers for beef cattle (cents)
1949	67.8	18.7	49.1	5.8	54.9	20.0
1950	74.6	19.4	55.2	6.7	61.9	23.9
1951	87.3	20.3	67.0	8.6	75.6	29.7
1952	85.7	22.7	63.0	5.8	68.8	24.9
1953	68.4	23.1	45.3	4.6	49.9	17.0
1954	67.8	21.4	46.4	4.4	50.8	16.9
1955	66.8	22.4	44.4	4.1	48.5	16.1
1956	65.4	23.2	42.2	4.1	46.3	15.2
1957	69.9	24.5	45.4	4.4	49.8	17.4
1958	80.2	26.2	54.0	5.0	59.0	22.4
1959	82.0	27.6	54.4	5.5	59.9	23.0
1960	80.2	28.1	52.1	4.6	56.7	21.1
1961	78.4	29.6	48.8	4.8	53.6	20.9
1962	81.7	26.5	55.2	4.9	60.1	22.4
1963	78.5	30.1	48.4	4.2	52.6	20.8
1964	76.5	30.3	46.2	4.1	50.3	18.7
1965	88.1	28.3	51.8	4.7	56.5	20.5
1966	82.4	30.1	52.3	5.3	57.3	22.8
1967	82.6	29.6	53.0	4.0	57.0	22.7
1968	86.6	29.9	56.7	3.8	60.5	24.0
1969	96.2	34.0	62.2	4.7	66.9	26.5
1970	98.6	37.1	61.5	4.8	66.3	27.2
1971	104.3	36.4	67.9	4.5	72.4	29.3
1972	113.8	41.3	72.5	7.4	79.9	33.8
1973	129.2	41.8	87.4	9.4	96.8	43.2

Note: Compiled from Federal and State official data.

Source: Economics Department, South Dakota State University.

TABLE 6.—PORK-RETAIL PRICE, FARM-RETAIL SPREAD NET FARM VALUE, BYPRODUCT ALLOWANCE, GROSS FARM VALUE, AND PRICE RECEIVED BY FARMERS FOR HOGS IN SOUTH DAKOTA

Year	Retail price per pound (cents)	Farm-retail spread (cents)	Net farm value (cents)	Byproduct allowance (cents)	Gross farm value (cents)	Prices received by South Dakota farmers for hogs (cents)
1949	54.5	19.7	34.8	4.3	39.1	17.2
1950	53.8	19.4	34.4	4.6	39.0	17.3
1951	57.8	21.3	36.5	5.8	42.3	19.2
1952	56.2	22.2	34.0	3.8	57.8	17.0
1953	62.1	20.6	41.5	4.5	46.0	20.6
1954	63.4	22.3	41.1	5.1	46.2	20.7
1955	53.6	24.9	28.7	3.1	31.8	14.4
1956	51.4	24.8	26.6	3.1	29.7	13.7
1957	59.4	26.6	32.8	3.7	36.5	17.4
1958	63.8	26.9	37.0	3.9	40.9	19.0
1959	56.3	30.4	25.9	2.4	28.3	13.5
1960	55.9	27.2	28.7	2.7	31.4	14.9
1961	58.4	27.9	30.5	3.0	33.5	16.1
1962	58.8	28.7	30.1	2.6	32.7	15.6
1963	56.6	29.2	27.4	2.5	29.9	14.4
1964	55.9	29.1	26.8	2.5	29.3	14.3
1965	65.8	27.7	38.1	3.5	41.6	20.2
1966	74.0	31.8	42.2	3.7	45.9	22.4
1967	67.2	32.4	34.8	2.5	37.3	18.1
1968	67.4	32.9	34.5	2.2	36.7	18.9
1969	74.3	32.0	42.3	3.2	45.5	21.9
1970	78.0	38.5	39.5	3.4	42.9	21.4
1971	70.3	38.0	32.3	2.7	65.0	17.6
1972	83.2	35.3	47.9	3.5	51.4	24.2
1973	98.1	34.4	63.7	4.9	68.6	38.2

Note: Compiled from Federal and State official data.

Source: Economics Department, South Dakota State University.

Mr. BUCKLEY. Mr. President, I yield myself such time as I may use.

The statement just made by the distinguished Senator from South Dakota (Mr. McGOVERN) is an eloquent one, but I am not sure that his arguments are always logically consistent. He did concede that this program will either cost the consumer or cost him indirectly in the form of taxes, if prices go below the target price structure.

I want to see our farmers get a good income. I want to see the consumers paying fair prices. I want to see those who raise poultry, those who need feed grain for their cattle, paying a decent price for it.

What I am saying is that we need to liberate agriculture and give it the flexibility to allow the farmer to move his acreage to those crops in response to demand.

We have heard all kinds of startling statements about food shortages, and sections of the American population going hungry. That is pure nonsense.

If there is a shortage and prices go up, if prices go up there is then the incentive not only of larger incomes for the farmers, but also the incentive to grow more so that the shortages will be eliminated and a greater profit balance struck.

I have tried to emphasize in my remarks directed to my amendment that it was not designed to strip the agricultural community of each and every protection. Of course not. We have, in fact, the no-recourse loan system which is designed to give farmers flexibility to tide them over situations of temporary surpluses and to enable them to be guaranteed a basic bottom price for their commodities.

If that loan level is no longer realistic, let us address ourselves to that problem and see to it that it is raised to the point where it performs, in fact, its function of giving the farm communities the minimum assurance that will justify their being allowed to raise crops.

We also hear a great deal about the flight from the farm, the disappearance of the small farm in America. This is the same kind of phenomenon we have seen with regard to small tailor shops going out of business, or cobblers going out of business, because we were able to be productive and do things on a larger scale which requires more capital, requires a larger acreage.

It requires all sorts of things that tend to encourage the grouping together of acreage. This is part of the miracle that has made it possible for 5 percent of our population to feed the other 95 percent and many foreigners as well.

I think we should also understand that as production increases, we will be seeing a greater efficiency per unit of production. Historically, this in our system has been divided, through the market mechanism, between the producer and the consumer.

If we had to pay for a Chevrolet today based on production methods of 30 or 40 years ago, no American could afford a Chevrolet. But what has happened? Through economy, through efficiency, through larger scale operations, we have been able to increase the quality of the product disproportionate to the increase in price.

The same advantage of a free economic system ought to continue to be made available to the American people.

We have heard the statement that there is not adequate protection. But, as I said earlier, let us provide that protection, not by seizing on what has been a rather high price—I do not begrudge the farmer that price—but using that as a norm, instead of recognizing that there ought to be fluctuation. Frankly, if this system is so desirable, I cannot see why it is not extended to lettuce growers, apple growers, sheep growers, and so forth down the line.

Also, why should it not be extended to any other area of our economy where there is risk-taking, where some element is having its problems? If it is a sound system to encourage and maintain a source of supply for the benefit of the country as a whole, why should we not, for example, extend it to oil and gas producers? We are running into real shortages in these two commodities in this country, which cannot be said at the present time in terms of agriculture, which can respond by bringing more acreage into production.

Perhaps we should adopt this principle and state that each will have a target price of $5 for a barrel of oil and 50 cents for a thousand cubic feet of gas and let the taxpayers subsidize the difference. It certainly would stimulate production.

I say that this is an unnecessary principle, a dangerous principle, one that should not be adopted, especially at a time when we have seen American agriculture emerge from the historic period that gave rise to the special protections and controls that have in many ways hobbled it over the years. I say the time is now to begin to move into the position where the genius of the American farmer can have the fullest possible play in the utilization of his assets in order to meet most efficiently the growing and growing demands, both here and abroad.

I reserve the remainder of my time.

Mr. TALMADGE. Has the Senator from New York completed his argument?

Mr. BUCKLEY. I said that I am reserving the remainder of my time.

The PRESIDING OFFICER. Who yields time?

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

Mr. TALMADGE. How much time does the Senator desire?

Mr. DOLE. Five or 10 minutes. I wonder whether we might have a quorum call. I am waiting for some material.

Mr. TALMADGE. Mr. President, I ask unanimous consent that we may have a very brief quorum call, without the time being charged to either side.

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

Mr. TALMADGE. 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. TALMADGE. 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. TALMADGE. Mr. President, I ask for the yeas and nays on the Senator's amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side.

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

Mr. TALMADGE. 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. TALMADGE. 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. TALMADGE. Mr. President, I yield 5 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I take this time to express my opposition to the amendment of the distinguished Senator from New York. As I stated earlier in the debate, the so-called target price concept was the result of considerable discussion in the committee during literally weeks of hearings. We pointed up the urgency of having farm legislation passed at the earliest possible time. It is my understanding that there are efforts underway in the House to move quickly on at least a portion of the Senate bill, and it is possible that for once, for the first time in many, many years, there might be a farm bill enacted before farmers in States like mine, the State of Kansas will know the provisions of the new farm bill before they have planted their winter wheat.

I do not quarrel with the objective, necessarily, of the Senator from New York. In fact, I believe the so-called target price concept can achieve the dual objective of more flexibility for the farmer, with more decisionmaking by the farmer, and at less cost to the Government.

As the distinguished Senator from Nebraska pointed out in his opening statement, this is a so-called risk sharing and benefit sharing program, and if the projections of the experts in the USDA are accurate there will be benefit with no cost to the Government, but if they are not accurate we in the committee felt they could very properly share some of the risks and burdens.

Also I would like to announce at this time that I intend to offer amendment No. 186, which would restore a portion of the rural environmental assistance program—REAP—program. To give some background, it is well to point out that the U.S. Department of Agriculture terminated the REAP program last December 22, 1972. That was followed by the passage of H.R. 2107, which mandated the expenditure of REAP funds, and that bill was passed by the House and the Senate.

Since that time, there has been consideration of the report from the joint conference committee, and this final action of the conference committee has been delayed because of the feeling that a veto, which probably will come, would probably be sustained. So we are at an impasse where the conference report is still pending consideration by the House. However, there is a strong feeling it may never be considered by the House.

In the meantime, all REAP programs are suspended and this includes cost-sharing in the construction of water retention dams, terracing, and other one-time permanent type practices. Many watershed plans are contingent on the use of the REAP program for their run-off control with these measures.

Much of the objections to REAP by this administration and the past three administrations has been the annual repetitive or production type practices, such as liming, tree planting, seeding, mulching, and so forth. They are practices that enhance production of crops in some uses; however, they also are of great value in establishing a permanent cover to control erosion.

Mr. President, my amendment would limit cost sharing to 50 percent for approved practices. Plans will be approved by the Soil Conservation Board and coordinated with the appropriate local or area committee. Planting trees, the liming, and other practices would be authorized as long as they were for the purpose of establishing permanent cover or other function as part of a Soil Conservation Service approved permanent practice. Cost estimates for this reduced program are approximately $70 million compared with $140 million required if the entire program were reinstituted.

Mr. President, I think it is a good program. It is a program established by Congress in 1935. The first appropriation was made for fiscal year 1937. Its name was changed from the agricultural conservation program or ACP, to the rural environmental assistance program or REAP on January 6, 1971.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the budget estimates, appropriations, and program levels for the years 1960 through fiscal year 1973.

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

	Budget estimate	Appropriation	Program level
1960	100	250.0	250.0
1961	100	250.0	250.0
1962	150	250.0	250.0
1963	150	250.0	250.0
1964	150	250.0	250.0
1965	120	220.0	220.0
1966	120	220.0	220.0
1967	100	220.	220.
1968	100	220.0	195.5
1969	100	195.5	195.5
1970	[1] 0	195.5	185.0
1971	[1]	195.5	150.0
1972	140	195.5	195.5
1973	140	225.	[2] 140.0

[1] The original request was $100,000,000. It was amended to 0.
[2] Program terminated Dec. 22, 1972.

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

Mr. DOLE. I am happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, first of all I wish to express my vigorous opposition to the amendment that has been presented by the Senator from New York. I think it would, for all practical purposes, end the farm program. That is really what it would do.

The PRESIDING OFFICER. The 5 minutes of the Senator from Kansas have expired.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, secondly, as was so well pointed out, the target price system is possibly the best system we have been able to fashion thus far. It places great emphasis on the Department of Agriculture to give us accurate and prompt projections, so that acreage can be adjusted to meet needed supply. If the Department's estimates relating to acreage and supply are any-

where near accurate, then the cost to the Government is nothing or negligible. It is entirely possible in the coming year that the cost will be practically negligible because of the high demand for agriculture products. Therefore, I hope the Senate overwhelmingly rejects the amendment before us.

Second, I wish to say to the Senator from Kansas that I recognize the problems we are having with the REAP program. While I have been a strong supporter for the program as it is or should be operative, I am hopeful we can get something going. I think the Senator's approach offers us a chance to get some kind of rural environmental assistance program underway, not as large as I would like and I am sure not as large as the Senator from Kansas would like, but I believe it offers something, and I intend to support the Senator's amendment.

Mr. DOLE. Mr. President, I appreciate the comment of the Senator from Minnesota. It does give us something to start on. I think it is hopeful we can secure the adoption of the amendment later.

With respect to the amendment of the Senator from New York, it is my understanding that as of yesterday the USDA indicated no objection to the target price concept. The objection, if any, of the USDA is the price established, the so-called target price. I am of the opinion, since the administration now seems to have changed its position on the so-called target price concept—we are not really arguing about the amendment of the Senator from New York, because I assume it is an amendment suggested by the administration—and if they have now changed their position, it seems to me the only dispute would be as to whether the price for wheat should be, for example, $2.20 or $2.50, or whether it should be, for example, $1.53 for corn, or some other price for corn.

So I would hope, notwithstanding the sincere efforts of the Senator from New York, that his amendment would be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I am prepared to yield back my time and vote, if the Senator from New York is.

Mr. BUCKLEY. Mr. President, I suggest the absence of a quorum, chargeable to me.

The PRESIDING OFFICER. On whose time?

Mr. BUCKLEY. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. 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. TALMADGE. Mr. President, I am prepared to yield back my time and proceed to a vote, if the Senator from New York is.

Mr. BUCKLEY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from New York (No. 188), as modified. 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 Arkansas (Mr. FULBRIGHT) and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas (Mr. FULBRIGHT) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Virginia (Mr. SCOTT) is detained on official business.

The result was announced—yeas 14, nays 80, as follows:

[No. 176 Leg.]

YEAS—14

Beall	Mathias	Roth
Buckley	Pastore	Saxbe
Case	Pell	Taft
Dominick	Percy	Weicker
Goldwater	Ribicoff	

NAYS—80

Abourezk	Ervin	McGovern
Aiken	Fannin	McIntyre
Allen	Fong	Magnuson
Baker	Gravel	Mansfield
Bartlett	Griffin	Metcalf
Bayh	Gurney	Mondale
Bellmon	Hansen	Montoya
Bennett	Hart	Moss
Bentsen	Hartke	Nelson
Bible	Haskell	Nunn
Brock	Hatfield	Packwood
Brooke	Hathaway	Pearson
Burdick	Helms	Proxmire
Byrd, Harry F., Jr.	Hollings	Randolph
Byrd, Robert C.	Hruska	Schweiker
Cannon	Huddleston	Scott, Pa.
Chiles	Hughes	Sparkman
Church	Humphrey	Stafford
Clark	Inouye	Stevens
Cook	Jackson	Stevenson
Cranston	Javits	Symington
Curtis	Johnston	Talmadge
Dole	Kennedy	Thurmond
Domenici	Long	Tower
Eagleton	McClellan	Tunney
Eastland	McClure	Williams
	McGee	Young

NOT VOTING—6

Biden	Fulbright	Scott, Va.
Cotton	Muskie	Stennis

So Mr. BUCKLEY's amendment was rejected.

Mr. TALMADGE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PERCY. Mr. President, I have amendment No. 191 at the desk. I ask that it be stated.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

On page 10, line 19, strike out all through page 12, line 8, and renumber the succeeding paragraphs accordingly.

Mr. PERCY. Mr. President——

Mr. TALMADGE. Mr. President, will the distinguished Senator from Illinois yield?

Mr. PERCY. I am happy to yield.

Mr. TALMADGE. Is it agreeable to the Senator to shorten the time on this amendment?

Mr. PERCY. Mr. President, I do not feel that the amendment would require much time. I have three amendments—Nos. 190, 191, and 192. In order to move the bill toward final passage, obviously if the distinguished chairman of the committee will accept any of the amendments, there will be no need for rollcall votes. If the chairman objects to that, would he be willing to limit the time to 20 minutes on each amendment?

Mr. TALMADGE. Mr. President, I ask unanimous consent that on each of three amendments to be proposed by the distinguished Senator from Illinois there be a limitation of 40 minutes, 20 minutes to a side.

Did the Senator say 20 minutes to an amendment?

Mr. PERCY. Twenty minutes on each amendment, the time to be equally divided—10 minutes to a side.

Mr. TALMADGE. Mr. President, I modify my unanimous consent request accordingly.

The PRESIDING OFFICER. Is that for all three amendments?

Mr. PERCY. Twenty minutes for each amendment.

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

Mr. ROBERT C. BYRD. Mr. President, would it be agreeable to Senators to limit the time on each rollcall for the remainder of the day to 10 minutes?

Mr. PERCY. That is certainly acceptable to the Senator from Illinois.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on each rollcall for the remainder of the day be limited to 10 minutes.

Mr. CURTIS. Mr. President, reserving the right to object—and I shall not object—will a notice go out to the various offices?

Mr. ROBERT C. BYRD. The warning bell will be sounded after 2½ minutes.

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

Mr. PERCY. Mr. President, very simply, amendment No. 191, a copy of which is on the desk of each Senator, is supported by the Department of Agriculture. It strikes the language in the bill beginning on line 19, page 10, through line 8, on page 12. This is the section of the bill that prohibits the quantity of dairy imports which may be imported in any calendar year for food use from exceeding 2 percent of the total annual consumption of dairy products in the preceding calendar year, except that the President

may increase the total quantity which may be imported if he determines that such increases are required by overriding economic or national security interests of the United States.

Dairy products included in the import quotas would include first, all forms of milk and dairy products, butterfat, milk-solids-not-fat, and any combination or mixture thereof; second, any articles, compound, or mixture containing 5 percent or more of butterfat, or milk-solids-not fat, or any combination of the two; and third, casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk-solids-not-fat, if imported commercially for any food use. Dairy products would not include those dairy products for industrial use—not to be used as an ingredient of food, or articles not normally considered to be dairy products, such as candy, bakery goods, and so forth.

Mr. President, I have five major objections to this section of S. 1888.

FOOD VERSUS INDUSTRIAL USES

The Foreign Agricultural Service of the Department of Agriculture points out to me that there is very likely to be confusion between food use and industrial use of dairy products. Some dairy products are used for both purposes and final usage is not known at the time of importation. Thus, the administering authorities would either have to assume that all imports of such articles were for food use, or, alternatively, set up policing machinery to check on declared intentions of industrial use.

ADMINISTRATION

The Department has also informed me that controls established under the proposed legislation would be extremely difficult to administer. The new law would require the extension of import quotas to cover all dairy products. The new feature of linking the permissible import total to the preceding year's consumption would involve additional complications, in that milk consumption estimates separating food and nonfood usage are not presently available and, even if constructed, would be of questionable reliability. Also, the bill would in effect require administrative limitation of imports during the first half of the year until the total permissible amount could be determined on the basis of domestic production and consumption reporting. Furthermore, a running tally of imports on a milk equivalent basis would be necessary unless the whole import pattern was frozen in advance by quotas and licensing—and in the event of licensing the resulting inflexibility would prevent the maximum overall level from ever being reached.

In other words, the department responsible for administering the law that we would be passing, says they do not know how it can equitably be administered, that they do not see how they can make the law work and carry out and implement it. If there is that much fuzziness over definitions and terms and products that would be classified, or that they would be required to classify, then I think this provision is unsound.

Because of the enormous diversity of dairy products and of food products containing milk solids, the bill would have to be administered on the basis of "milk equivalent" of the various products. This would force construction of a complex and highly red tape restrictive system of recordkeeping and licensing control which would throttle business and, in effect, make full utilization of the 2-percent limit nearly impossible.

The clause allowing the President to increase imports on grounds of "overriding economic or national security grounds" would be cumbersome to use particularly in dealing with spot shortages and temporary situations.

Mr. President, let us face it. What would be the situation today? What do we have existing today that might be considered overriding economic or national security grounds? If we look at it from the standpoint of the producer, they would obviously say no. If we look at it from the standpoint of the consumer faced with a threatened 7 or 8 cents a gallon increase in milk in Chicago within the next few weeks, they obviously would say yes. For the lower income families this would mean, of course, that it would be an economic factor. But how do we really determine what is fair under those conditions? The Department of Agriculture objects because of that particular provision.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I am very happy to yield to the distinguished Senator from Vermont.

Mr. AIKEN. I simply want to say that I am bothered somewhat by this provision in the bill because I do not think it will work. Five years ago, we were importing milk products at the rate of approximately 4 percent. Only 5 years ago it got up to the rate of 9 billion pounds of milk equivalent a year. Then President Johnson stepped in and put the import quota back to where it should have been. He had to do that twice. When President Nixon came in, he carried out the policy as provided by law very well. Now we have had to import a great deal of dry milk for cheese and the candy manufacturers. If we had not done that, there would have been a tremendous demand for the import of the finished product from overseas. A big increase in the importation of finished dairy products would seriously injure our own industry.

Now during the last 4 months we have imported about 1 billion pounds of milk equivalent in the form of powdered skim milk, from other countries, but it has not reduced the price to the American farmer in any way. It has simply prevented an acute shortage of domestic cheese. The price is still up considerably more than it was a year or so ago. So I think we would be taking quite a risk in restricting the importation of all dairy products to 2 percent milk equivalent. We may be up pretty nearly to that now in all imports of cheese and other milk products.

Mr. PERCY. I think it is running about 1½ percent now.

Mr. AIKEN. It is not quite 2 percent, I believe. We hope that we will not have to import more than that, but milk production is dropping and then it will become infinitely more costly, with the price of grain and everything else that goes into the making of milk products going up. So I think we had better leave that law as it is now, because I have confidence that whoever is President in the future—and we cannot see very far ahead—will see to it that the American dairy industry is protected from dumping of foreign imports such as was underway 5 years ago when President Johnson stepped into the picture and put a stop to it.

Mr. PERCY. I thank my distinguished colleague who, as in the past, has been the ranking minority member of this very important comittee.

The point he has made leads directly to the third reason why I oppose this section of the bill.

TRADE

Trade problems are at the forefront of this amendment. Section 22 controls now in effect—and which the Department feels are working well to protect America's dairy industry—have been regularized under the General Agreement on Tariffs and Trade—GATT—through a waiver by the contracting parties—the countries of GATT. Section 22 of the Agriculture Adjustment Act permits quotas to be imposed after certain procedures have been followed to determine their need. The purpose of these quotas is to prevent imports from disrupting a U.S. domestic support system. Such quotas are allowed under GATT article XI if production of the commodity protected by quotas is being controlled. The United States obtained a GATT waiver, and it submits to annual review of its section 22 quota program in GATT.

Unquestionably our trading partners would view the proposed legislation as being outside the waiver and unnecessarily restrictive of trade. Therefore, if enacted, the legislation would probably be used by other countries as a rationale for restrictions that would hamper U.S. agricultural exports. In brief, the United States could well lose more than it would gain through this legislation because the restrictions on our export trade could well more than offset any possible advantage gained by more rigorous restrictions on dairy imports.

By legislatively freezing import limits, the bill would tie the hands of U.S. negotiators at the forthcoming trade negotiations. This should not be done for any commodity, including dairy products.

At this very time we are trying to persuade our European trading partners to lower their import barriers to our agricultural goods, so why at this very time should we put a legislated quota on dairy imports. Any retaliation that might occur could have more harm on other U.S. agricultural exports.

UNNECESSARY

The Department further feels that this 2-percent limit is unnecessary for protection of the domestic dairy industry. Existing section 22 import quotas effectively control imports, which in most re-

cent years have been held to 1.4 to 1.8 percent of domestic dairy industry.

COST

By having a legislated limit on imports, this could limit supplies thus increasing the price of dairy products.

I realize that current dairy imports are running at the level of about 1½ percent of domestic consumption and that this provision of the bill would not appear to reduce dairy imports. However, it would fix a limit in a law for the level of dairy imports and not allow flexibility to the Department of Agriculture to adjust import levels as conditions might warrant. Further, as I have already pointed out, the provisions of the bill would be in contradiction to our GATT obligations, thus legally sanctioning retaliation by other countries against other U.S. agricultural exports,

Therefore, Mr. President, I urge adoption of my amendment.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I promised to yield to the Senator from Kansas (Mr. DOLE) in view of the fact that it is his amendment. How much time does the Senator from Kansas desire?

Mr. DOLE. Five minutes.

Mr. TALMADGE. I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. DOLE. Mr. President, I rise in opposition to the amendment of the senior Senator from Illinois to strike from the bill the 2-percent limitation on imports of dairy products.

Under existing law, section 22 of the Agricultural Adjustment Act of 1933, quotas can be imposed on dairy products as a means of limiting imports when it is found that they are interfering with the operation of the dairy price support program. In 1972 dairy imports represented about 1.5 percent of the total domestic consumption of dairy products in this country.

The committee bill would prohibit imports of dairy products in excess of 2 percent of domestic consumption. However, it would permit the President to increase the total dairy imports if he found that such an increase were required by overriding economic or national security interest of the United States.

The pending amendment would strike the above provisions of the committee bill.

The dairy industry has become increasingly alarmed by expanded imports of dairy products such as the increase of the quota on non-fat dry milk from 1.8 million pounds to 25 million pounds. Therefore, they felt that the provisions of section 22 of the Agricultural Adjustment Act of 1933 need strengthening. The dairy farmers of this country have a great deal of difficulty staying solvent and they are in a particularly bad position now because of dramatically rising feed prices. I think there was an example yesterday in which soybean meal had gone from about $90 a ton last year to about $430 a ton this year. During the past 2 years, dairy production in this country has been decreasing at a time when both population and demand for dairy products has been increasing. It will be a very bad situation, indeed, if we fail to give dairy farmers in this country the income protection to meet domestic needs for dairy products. It would be extremely unfortunate if we allow our dairy farmers to go out of business and come to rely heavily on foreign countries for a basic food such as milk.

Moreover, American dairy farmers look with alarm at the prospect of increased imports because they know that many countries which export dairy products provide heavy subsidies for their dairy farmers. The European Common Market countries operate under a clearly posted system of export subsidies. For example, the posted subsidy for butter from the Common Market as of November 20, 1972, was 54.18 cents per pound. The subsidy for non-fat dry milk was 5.91 cents per pound. The Swiss cheese export subsidy was 22.31 cents per pound.

Mr. President, we cannot allow the American market to become the dumping ground for the surplus dairy products of the world. Not only will this have an adverse impact on our already tenuous trade position and our shaky American dollar, but it will not serve the long-term best interests of the consumer. The American consumer can be assured of a stable supply of dairy products only if it is produced in this country. Therefore, I hope the Senate will uphold the committee position and reject the pending amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from R. F. Anderson, of the National Cheese Institute, and further explanatory material with reference to the amendment.

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

NATIONAL CHEESE INSTITUTE, INC.,
May 1, 1973.

The Hon. RICHARD M. NIXON,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: The National Cheese Institute is a non-profit corporation whose members are broadly representative of the cheese industry. They include small and large dairy cooperatives, processors large and small, foreign and domestic producers as well as importers. But most of our members represent medium-sized operations that make and sell cheese in America.

The industry's reaction to the cheese import proclamation has been mixed. Makers of specialty-type cheese expressed the gravest doubts. Others said the unilateral trade concession seemed unnecessary in that the United States gave away a valuable trading chip for nothing. Others felt we should wait and see the results and offer our suggestions when appropriate.

We have just held our 46th annual meeting. The final session Tuesday evening, April 24, was climaxed by an address by Senator Bob Dole. Senator Dole admonished us to be more energetic in telling our side of the story. To emphasize this point he said, "President Nixon has observed 'The continued success of our free enterprise system depends in large measure, upon mutual trust and goodwill of those who consume and those who produce or provide.'" (Senator Dole went on to say) "I would state it in the negative. What the consumer doesn't know, hurts you."

And we must carry the Senator's thought another step and say "What the government doesn't know, hurts us!" To illustrate we quote Commissioners Leonard and Young in their additional statement regarding the Tariff Commission's April 9, 1973 report to you, . . . "we cannot make a determination that each cheese's annual quota . . . may be increased by 50 percent for 1973 without reducing substantially the amount of product processed in the United States from domestic milk . . . We are unable to make that further determination because the investgation . . . did not reveal sufficient information . . ."

The Tariff Commission's report (page 7) said "Imports of the specialty-type cheese, chiefly blue-mold, 'aged' Cheddar, Edam and Gouda (whether or not processed), and Italian-type cheese (whether or not in original loaves), are priced substantially above comparable domestically produced cheeses."

Therefore, it is difficult to imagine these higher priced cheeses holding down prices. Consumers of specialty cheese apparently are willing to pay the substantial price differential. If this is correct then the overall average food costs will increase under the new quota arrangement, contrary to the expectations of the Cost of Living Council.

Furthermore the potential havoc to the domestic producers of these specialty cheeses is awesome. For example, there are only twelve plants producing blue-mold cheese in the United States. They make about 25 million pounds of cheese a year. The new annual import quota for this specialty cheese is 7.5 million pounds or about ⅓ of the U.S. production. Or consider the manufacturers of Edam and Gouda, the overall new import quota for these types for 1973 is 18.5 million pounds which equals or exceeds domestic production.

We are concerned that certain imported specialty cheese, even though higher priced, may, because they do appeal to the gourmet's desire for imports, replace comparable domestic specialty cheese. The end result would be a reported higher average price for all cheese which could unfairly trigger government action to control the entire cheese industry. The domestic cheese industry is and has cooperated with the goals of the Cost of Living Council to hold down food prices and supply the growing demand for protein rich food.

Therefore, Mr. President, we will follow the advice of Senator Dole and keep the consumer advised about our efforts to supply cheese at a reasonable price. We will also keep you informed about the impact of specialty cheese imports and whether they reduce substantially the amount of those cheeses produced in the United States from domestic milk.

Respectfully,

R.F. ANDERSON,
Executive Director.

BACKGROUND ON IMPORTS OF DAIRY PRODUCTS

Present permanent quotas for dairy imports have a milk equivalency of 1,303,987,000 lbs. In addition certain exotic cheeses (pecorino, roquefort, etc.) and other cheeses having a cost of over 69¢ per lb. are nonquota. As a result the actual imports in 1971 were 1,346,957,000 lbs. and in 1972 1,683,585,000 lbs.

The proposed amendment would do two things.

It would limit the permanent dairy import quotas to 2% of the domestic consumption of dairy products. (Presently this would mean a limit of about 2.3 billion lbs.) Such a limit, we feel, is reasonable. It covers present permanent quotas and recent imports of 60 million pounds of nonfat dry milk.

The amendment also provides that a portion of any additional permitted imports be first made available to producers and processors of like dairy products. This would

insure that such products would expeditiously find their way into existing commercial channels. In so doing protection would be automatically given to existing licensed importers and their operations. It would also provide automatic growth in their volume as the domestic market grows. Present licensing system allows import licenses to be granted only to those who have a history of importing. This proposal would enable both the historical importer and the domestic industry to share in expanded imports.

An overall limitation on import quotas is sound because of the impact imports have on the price support program. One billion lbs., milk equivalent, of imports reduces the price of milk about 20 cents per hundredweight. As this occurs more domestic dairy farmers quit dairying, forcing us to rely even more on imported products. This is contrary to the intent of Congress in existing farm acts (but is precisely the pattern the Flanigan Report recommends).

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. TALMADGE. I yield the remainder of my time to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, this provision in the bill before the Senate is designed to take care of the realities that face the dairy market and the dairy industry in this country. It is not designed to impede trade. It is not designed to be adverse to our national interests. It is designed, however, to give the American producer a fair chance.

Let us face it: There is a scheme afoot in this country to get the American farmer out of the dairy business, and it was outlined very succinctly and cleverly in the so-called Flanigan Report. That report said that we will have a trade-off between the export of American grains to Europe bringing in their cheese and their milk products into the United States. It sounds good theoretically, if no people were involved. The trouble is that a large number of the best farmers in America are involved.

Dairy farming represents the best of farming in America. However, it is high cost, heavy investment, high technology, but the best. Dairy farming produces the most nutritious product. However, dairy farming is filled with risks.

The Government of the United States has been telling our dairy farmers for years to reduce production, and they have done so. Now that we have reduced production, they say, "We have to have imports," and we get them.

This amendment does not restrict the imports on the basis of any historical base. As a matter of fact, the provision in the bill to which I refer provides for a 2 percent limitation, which goes beyond present levels. At the present time, our imports are equivalent to about 1½ percent of domestic consumption. This provides that as domestic consumption increases, you can go up to 2 percent of the total domestic consumption.

One other thing: When the European countries export dairy products into this country, they are highly subsidized through variable import levies—namely the revenues from those levies. Europe can dump butter in this country at 10 cents a pound, and Europe has dumped butter in other parts of the world at 10 and 12 cents a pound while selling it to its own people as high as $1.20 per pound. That sounds great, except that it drives people out of business here in this country. It destroys thousands of American producers.

All we are suggesting here is that we stop, look, and listen. This is an amendment to basic law. The law is very clear as to the products that are affected. Despite all the difficulties the Senator from Illinois indicates the Department would have in determining what these products are, they are listed in the legislation. They are also listed under the act that relates to dairy products, under the Agricultural Adjustment Act of 1933, section 22. It is all described. There is no confusion about it. The difference is, are we going to be cognizant of the threat that comes to the economic viability of the dairy industry of this country? We have already taken out of this bill measures that should have remained.

I assure the Senate that this particular provision in the bill which comes from the Committee on Agriculture and Forestry will not be injurious in any way to our foreign trade. It provides for expansion. It permits the President, if he finds there is compelling economic and national need, to go beyond the 2 percent; and it provides for the sharing of the market.

I think the question the Senator has to face is whether it wishes to drive U.S. dairy farmers off the farm. When it gets through doing that, the dairy industry will be corporatized; and when the dairy industry gets into the corporate board rooms, some people are going to be much more considerate of it. Today, the dairy industry is out in the barns and the fields, because it is out there where you will find dairy farmers who have the cows. We think we can play willy-nilly with them. But the minute it gets to be a product strictly of the big corporation, we will have lobbyists down here who will make what we have seen in the past look like child's play.

I am for the dairy farmer. I am for the family farmer. I am against corporate agriculture. I am against letting subsidized agriculture come into this country and destroy our producers.

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

Mr. HUMPHREY. I yield.

Mr. DOLE. Another important provision, which the Senator is aware of and is partly responsible for, in this bill, is that when the President issues licenses for increased quantities authorized by this amendment, he must give priority for a limited time to domestic producers and processors who are in that business and take it away from the so-called special interest groups. So that the licenses may be issued to those who can use these imports in their normal business. The reason is to perpetuate the dairy industry and not destroy it, as the Senator has so well stated.

The PRESIDING OFFICER. All time of the Senator from Georgia has expired.

Mr. HUMPHREY. Mr. President, could we have a minute on the bill?

Mr. CURTIS. I yield the Senator 2 minutes.

Mr. PERCY. Mr. President, will the Senator yield me 2 minutes on the bill, also?

Mr. CURTIS. Yes.

Mr. NELSON. Mr. President, I endorse the statement of the distinguished Senator from Minnesota, and I wish to add another point to his very thoughtful comments.

My State, Wisconsin, is the largest producer of milk in this country. For years, the Department of Agriculture has been advising the dairy farmers in this country to bring their quantity of production milk into conformance with demand. That has been the answer to getting a fair price for milk.

The farmers have done that. We were producing in this country in the early 1960's and in the mid-1960's 126 billion pounds of milk. Out of that figure my State was producing something over 20 billion pounds of milk. Wisconsin's production has now gone down to about 18 billion pounds. National production has gone from 126 billion pounds 8 or 9 years ago to about 120 billion pounds in the last year, with a projection of 117 billion pounds this year. That is a 9-billion-pound reduction on the part of dairy farmers, the Department of Agriculture has advised.

But as fast as farmers cut the production of milk a lot of people want to import milk and milk products into this country, defeating the whole program. If anyone thinks that city folks are subsidizing the farmers they have another thought coming. The farmers are subsidizing the city folks. They are always getting under 90 percent of parity. It has been 20 years since the farmers in this country, in most products produced, approached 90-percent parity.

If anyone thinks it is profitable to be a dairy farmer, it must be explained to me why in the last 20 years, since 1952, we have gone in Wisconsin from 133,000 dairy producers down to 66,000 dairy producers. The same thing has happened in the State of Minnesota. We want to keep a dairy industry that is healthy and to allow farmers a fair return for their investment.

We do not require that dairy products coming into this country meet the same standards that we meet. We want to require dairy products coming into this country from Europe, from Switzerland, Belgium, Holland, or Italy to meet the same standards that we meet here. Here we require that they keep milk cows separate in the barn.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. NELSON. Mr. President, will the Senator yield to me for 1 additional minute?

Mr. CURTIS. I yield.

Mr. NELSON. Mr. President, none of the sanitation standards which impose higher costs on production of Wisconsin dairy farmers are imposed on those who produce the same products abroad and send them here for sale. If the same standards applied, these dairy imports would not qualify to get into the marketplace in this country. I have advocated for years that we require the same sanitary standards among competitors in

Europe as are required in this country. That would be fair and equitable.

A total national production of 120 billion pounds would allow imports of 2.4 billion pounds of milk or dairy equivalent products, and that is one-half percent more than came in last year. I think the provision should stay in the bill as it is.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 minutes.

Mr. PERCY. Mr. President, I understand the distinguished Senator from Nebraska has yielded 3 minutes. It may be that I will not use the entire 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. PERCY. Mr. President, I would like to respond in this way to my distinguished colleague from Minnesota and my distinguished colleague from Wisconsin. I am for the dairy farmer, particularly in Illinois. I am all for them. Even though I voted against the 80-percent figure yesterday, and I believe 75 percent was adequate, the Senate, in its wisdom, decided to reaffirm the committee, raising the dairy support price to 80 percent of parity, assuring milk producers higher prices and assuring and guaranteeing the milk producer that he will not be exposed to the ravages of a free market or unlimited milk imports.

Also I am for another group of people. I certainly would not say I would be second to the distinguished Senator from Minnesota or the distinguished Senator from Wisconsin. We are for the consumers. We have always stood for the consumers. We are for the low-income expectant mothers, who have tc pay good hard cash for milk, and it is going up in price. As the distinguished Senator from Massachusetts pointed out the other day in the committee hearings of the Committee on Nutrition and Human Needs, when he showed a carton of milk, this shows the disaster it means for low-income families as prices go up.

We are for all growing children in America that drink milk. Every time the price of milk goes up taxes go up because we are paying for a lot of the milk we supply.

I am not saying we have to put the dairy farmers ahead of them, but both groups have to be taken into account. However, if we arbitrarily limit dairy imports to 2 percent we are removing the flexibility which we have. It means that 98 percent must be domestic production, regardless of what happens to prices. If we put that arbitrary limitation on, unquestionably our trading partners would view it as being an unnecessary restriction of trade. I would say to the distinguished Senator from Minnesota, who along with the Senator from Illinois, has been a proponent for freer trade, it would be handing an ax or a weapon to our allies abroad, all of whom are more ingenious than we at restricting markets. We would be giving them an invitation to restrict imports to our country, and we would have set the pattern, and we would have handed the hatchet to them to chop off our exports.

Mr. President, for those reasons I hope very much that the Senate will support the amendment.

Mr. President, I ask unanimous consent that my assistant, John Childers, be allowed the privilege of the floor during the presentation of my amendments, including rollcall votes.

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

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield to me for 1 minute? I want to say something in response to the distinguished Senator from Illinois.

Mr. TALMADGE. I yield.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, one, when the European Common Market is willing to take off all their restrictions on the importation of American agricultural products, I will consider getting rid of the 2 percent import limitation. I want to have something to bargain with them.

Two, they subsidize their dairy farmers to the point where no American producer can compete.

Three, as the Senator from Wisconsin said, their sanitary standards are not the same as ours.

Four, they will share in the U.S. market under the committee bill.

Five, the consumer of dairy products in America will benefit by continuing to have U.S. dairy farmers.

Mr. President, you are not going to make dairy products out of thin air. Milk comes from cows. It takes farmers to work with cows. Cows do not sit on cartons. They have to be milked, and they have to be fed and cared for. We already are losing cows. The numbers are down. We are losing dairy farms. The figures are down. We are losing dairy production. The figures are down. The consumption is up, and I think the Senate had better make up its mind whether it is going to have a dairy industry in this country or phase it out. I do not believe in the Flanagan report which says we must get rid of dairy farmers and ship the grain, because in the process it would destroy people.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. 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 Arkansas (Mr. FULBRIGHT), is necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Ohio (Mr. TAFT) is necessarily absent.

The Senator from New York (Mr. BUCKLEY) is detained on official business.

If present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 23, nays 71, as follows:

[No. 177 Leg.]

YEAS—23

Aiken	Hatfield	Ribicoff
Bartlett	Javits	Roth
Beall	Kennedy	Saxbe
Bellmon	Mathias	Stafford
Biden	Moss	Stevenson
Brooke	Packwood	Tunney
Case	Pell	Williams
Cranston	Percy	

NAYS—71

Abourezk	Fannin	McClure
Allen	Fong	McGee
Baker	Goldwater	McGovern
Bayh	Gravel	McIntyre
Bennett	Griffin	Metcalf
Bentsen	Gurney	Mondale
Bible	Hansen	Montoya
Brock	Hart	Nelson
Burdick	Hartke	Nunn
Byrd, Harry F., Jr.	Haskell	Pastore
Byrd, Robert C.	Hathaway	Pearson
Cannon	Helms	Proxmire
Chiles	Hollings	Randolph
Church	Hruska	Schweiker
Clark	Huddleston	Scott, Pa.
Cook	Hughes	Scott, Va.
Curtis	Humphrey	Sparkman
Dole	Inouye	Stevens
Domenici	Jackson	Symington
Dominick	Johnston	Talmadge
Eagleton	Long	Thurmond
Eastland	Magnuson	Tower
Ervin	Mansfield	Weicker
	McClellan	Young

NOT VOTING—6

Buckley	Fulbright	Stennis
Cotton	Muskie	Taft

So Mr. PERCY's amendment (No. 191) was rejected.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 192

Mr. PERCY. Mr. President, I have amendment No. 192 at the desk, and I ask that it be called up and stated.

The PRESIDING OFFICER (Mr. NUNN). The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 40, line 3, strike out all through line 23, page 41.

On page 41, line 24, strike "813" and insert in lieu thereof "812".

On page 42, line 20, strike "814" and insert in lieu thereof "813".

On page 43, line 15, strike "815" and insert in lieu thereof "814".

On page 44, line 11, strike "816" and insert in lieu thereof "815".

On page 45, line 11, strike "817" and insert in lieu thereof "816".

Mr. PERCY. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, this amendment is a very simple amendment. It strikes section 812 from the committee bill. This involves striking the language from line 3 on page 40 through line 23 on page 41. That provides that we negotiate another international grains agreement which would set minimum and maximum prices.

The inclusion of such a recommendation in 1973 farm legislation would se-

verely undercut the U.S. position in the article 24:6 trade negotiations now underway in the GATT as a result of the enlargement of the European Community, as well as in the multilateral trade negotiations scheduled to begin later this year and continue into 1974. In order to acquire the best possible terms for U.S. grains in these negotiations, U.S. negotiators must not be hampered by their not having available to them all possible options.

Any attempt to negotiate an international grains arrangement in the months immediately ahead would enormously complicate our existing grain trade problems with the United Kingdom. The United States has certain trade rights for grains in the United Kingdom as a result of earlier trade negotiations. The continuation of these rights is in question as a result of the United Kingdom's accession to the European Community and its acceptance of the Community's common agricultural policy. The United States will attempt to preserve and protect those rights in the trade negotiations with the enlarged Community—an effort that could be defeated if complicated by parallel negotiations on an international grains agreement.

There is ample evidence that an international commodity agreement for grains, which includes minimum and maximum prices, does not offer U.S. producers their best international trading advantage. The International Grains Arrangement of 1967—IGA—did not open new markets, nor did it keep open old markets for U.S. grain producers. In fact, it led to a contraction of export markets for U.S. grains.

Many of the advantages which have accrued to U.S. grain producers during this past year and which are expected to continue during the coming year, would not have been possible under the IGA of 1967. If the IGA of 1967 were still in effect today, the U.S. Government would be in the position of having to pay large export subsidies in order to meet its international treaty obligations. It is doubtful that the U.S. Government would be able to meet such obligations since domestic consumers would be put at a severe disadvantage relative to foreign buyers.

The experience of the past year has illustrated that U.S. grain producers are best served by having ready access to a rapidly growing world grain market. This access cannot be assured by an international commodity agreement which merely attempts to maintain world grain prices within a prescribed range.

Furthermore, the volatile world grain supply-demand situation is likely to continue in some degree through the 1973–74 season. This situation creates an extremely poor climate for an international negotiation on grain. In such a climate, the United States could be drawn into commitments which, while appearing useful in the context of a limited world grain supply, might severely jeopardize America's future ability to compete with other suppliers and to pursue our goal of continued grain export expansion.

It is useful to look at fairly recent history to see why such an International Grains Agreement should not be included in this bill.

On June 30, 1967, the United States and other countries signed an International Grains Agreement. It took effect on July 1, 1968. There were two parts to the agreement—the Wheat Trade Convention and the Food Aid Convention. Only the Wheat Trade Convention is pertinent to our discussion today. This convention, basically, was a price agreement for wheat on the world market. In retrospect, and even according to criticisms at the time, there was no need to negotiate a price agreement as the United States as an efficient producer was competing aggressively in world markets. By participating in such an agreement, the United States was giving away comparative advantage to those countries which could produce only at a higher cost. What happened?

By July 1968, world wheat prices had fallen below the IGA minimums. The United States, therefore, had to raise its prices by means of an export tax, to the level of the specified minimum prices. Not all other countries did so, however. Several countries deliberately sold at less than the minimum prices, taking away sales from the United States. As a result of this price undercutting by other countries and in the face of increasing supplies that put further downward pressure on prices, the IGA pricing provisions were completely abandoned in mid-1969.

When the IGA terminated on July 1, 1971, it was replaced by a new International Wheat Agreement which has no pricing provisions. It is under this agreement that we are now operating. This new approach is basically one of monitoring the world wheat market and reporting signs of instability—and was adopted because the rigid provisions of the former International Grains Agreement with minimum and maximum prices proved unworkable and contributed to market instability in 1968 and 1969.

Therefore, the question is: Why should we want to go back to a price-fixing system that failed once before? Why, when we have had experience which has proven so disastrous to us should we want to go back to the same old agreements that have been proven to produce the disastrous results I have enumerated?

I think American agriculture has clearly demonstrated that it is the most efficient in the world and is best served by having ready competitive access to the world market. Why should we bind ourselves to international price-fixing which can only work to the advantage of other countries which are not as efficient.

Mr. TALMADGE. Mr. President, would the Senator yield so that I might yield some time from my side to the majority leader to propose a unanimous-consent request?

Mr. PERCY. I yield.

Mr. TALMADGE. Mr. President, I thank the Senator from Illinois.

I yield such time to the distinguished majority leader as he might require on the bill.

SUCCESSFUL RELEASING OF WING ON SKYLAB

Mr. SCOTT of Pennsylvania. Mr. President, if the distinguished majority leader would yield for a moment, I would like to report to the Senate that the news ticker announces that the astronauts have released the wing on the Skylab and, with the use of some body English, have locked the wing in place. I thought I should say some word for the English.

ORDER FOR ADJOURNMENT TO 10 A.M.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I would like to propose a unanimous-consent request. First, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

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

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

The Senate continued with the consideration of the bill (S. 1888) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on all amendments from here on out there be a time limitation of 25 minutes, 20 minutes for the sponsor of the amendment and 5 minutes for the manager of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. CASE. Mr. President, would it be understood that if exigencies should arise we may have a little consideration from the manager of the bill?

Mr. MANSFIELD. Yes, indeed.

Mr. JAVITS. Mr. President, would the Senator yield further?

Mr. MANSFIELD. I yield.

Mr. JAVITS. Mr. President, reserving the right to object, I would point out that we always protect ourselves on amendments to amendments.

Mr. MANSFIELD. Yes.

Mr. JAVITS. What is the understanding on that?

Mr. MANSFIELD. Fifteen minutes, 10 to the sponsor of the amendment and 5 to the manager of the bill.

Mr. JAVITS. Mr. President, may I suggest to the majority leader that it would be better to make the whole unanimous consent request as to the whole bill rather than just a piece of it to be approved on amendments? I gather the Senator is about to do that.

Mr. MANSFIELD. I am, but I did not want to go too far if I could not get very far.

I ask unanimous consent that the Senate vote on the pending business not later than 2:30 p.m. tomorrow afternoon.

The PRESIDING OFFICER (Mr. DOMENICI). Is there objection?

Mr. MANSFIELD. And that rule XII be waived.

Mr. MATHIAS. Mr. President, reserving the right to object, if there be some flexibility in this matter to be implemented, would that be by the majority leader or the manager of the bill?

Mr. MANSFIELD. The manager of the bill.

Mr. JAVITS. Mr. President, further reserving the right to object, should not the Senate know how many amendments there are, and then Senators would have a chance to have their amendments considered?

Mr. MANSFIELD. May I say that both sides used the hot line this morning to inform Senators that this would happen this afternoon. So far as I know, all Senators have indicated a reasonable attitude, including the Senator from New York, and when I looked at the amendments on yesterday, I think there were about 13 at that time, but we have disposed of 5 or 6 in the meantime.

Mr. SCOTT of Pennsylvania. Mr. President, if the majority leader will yield, I would like to point out that in the lobby now is the information tape machine, which I have just christened with that name for lack of another, and on that Senators may inform themselves as to how many amendments have been disposed of already with respect to any particular time during the day.

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

Mr. MANSFIELD. I yield.

Mr. CURTIS. I am very much in favor of the unanimous-consent request. I might suggest to the majority leader that insofar as the minority are concerned, if Senators wish to remain here tonight to offer their amendments in order to be sure they will be heard, we are not pressing for early adjournment.

Mr. MANSFIELD. Surely.

Mr. SCOTT of Pennsylvania. But is it expected that votes will occur late tonight?

Mr. CURTIS. I do not know, but if Senators want to stay late tonight, we are not objecting.

Mr. SCOTT of Virginia. Mr. President, will the majority leader tell us, is the 2:30 vote tomorrow intended to be the last vote, or would we have votes on other matters?

Mr. MANSFIELD. No, that would be the final vote, and we would follow that on Monday with the Morris nomination, and that would be followed by the State Department authorizaton bill.

Mr. MATHIAS. Mr. President, can the majority leader advise us whether amendments now printed and pending will be granted 25 minutes, notwithstanding the agreement to vote at 2:30 tomorrow?

Mr. MANSFIELD. Yes, on the same basis.

Mr. PERCY. Mr. President, reserving the right to object, and I do not intend to object, would it be possible that the previous order whereby the Senator from Illinois limited himself to 20 minutes, 10 minutes on a side, could now be set aside and replaced by this new order, so that the third and last amendment that I intend to offer today could have that additional time?

The PRESIDING OFFICER. Is there objection?

Mr. SCOTT of Pennsylvania. Mr. President, I think it should be made clear that the intent of the majority leader's proposal for a unanimous-consent agreement embraces within it the idea that the vote on passage will occur not later than 2:30 tomorrow. Therefore, if we are confronted with a situation which would put it past 2:30, it would be necessary to set aside the unanimous-consent agreement, although the managers of the bill have agreed to yield time on the bill and we are meeting 2 hours earlier than at first intended.

Mr. MANSFIELD. As a matter of fact, we can come in at 9.

Mr. SCOTT of Pennsylvania. I have no objection to that, but the majority leader is reaching the limits of my tolerance, as one who stays up late at night.

Mr. MANSFIELD. Mr. President, I renew my request, ask that rule XII be waived, and that the unanimous-consent request be in the usual form, and that debatable motions and appeals be limited to 20 minutes under the same breakdown as amendments.

The PRESIDING OFFICER. As second-degree amendments?

Mr. MANSFIELD. Yes.

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

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the hour for the vote on passage of the bill tomorrow be changed from not later than 2:30 to not later than 3 p.m. and I do so with the concurrence of both sides.

The PRESIDING OFFICER. And that rule XII be waived?

Mr. MANSFIELD. Yes.

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

(Later in the day, on request by Senator MANSFIELD and by unanimous consent, the time for the vote tomorrow was restored to the original 2:30 p.m.)

The text of the unanimous consent agreement is as follows:

Ordered, That, during the further consideration of S. 1888, a bill to extend and amend the Agricultural Act of 1970, debate on any amendment shall be limited to 25 minutes, to be divided and controlled with 20 minutes to the mover of such and 5 minutes to the manager of the bill, the Senator from Georgia (Mr. TALMADGE), and that debate on any amendment in the second degree, debatable motion or appeal shall be limited to 15 minutes, to be divided and controlled with 10 minutes to the mover of such and 5 minutes to the manager of the bill, Mr. TALMADGE: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Georgia (Mr. TALMADGE) and the Senator from Nebraska (Mr. CURTIS): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Ordered further, That the vote on final passage of the said bill shall occur no later then 2:30 p.m. on Friday, June 8, 1973.

The PRESIDING OFFICER. The Senator from Illinois may proceed.

Mr. PERCY. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, I yield myself the time I have remaining.

As I have stated, I think American agriculture has clearly demonstrated that it is the most efficient in the world and is best served by having ready competitive access to the world market. Why should we bind ourselves to international price-fixing which can only work to the advantage of other countries which are not as efficient?

Mr. BIBLE. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. DOMENICI). The Senate will be in order. The Senator will suspend until order is restored. The Senator is entitled to be heard.

Mr. PERCY. I am particularly pleased that the distinguished Senator from Minnesota (Mr. HUMPHREY) is present on the floor. Senator HUMPHREY himself, in remarks on the floor Tuesday, supporting such an international agreement as mentioned in section 812 of S. 1888, did say that a number of unsuccessful agreements have littered the world trading market. My point is that the International Grains Arrangement of 1967 is one such agreement and that what the committee bill proposes to do is re-create such an agreement. Again, I ask—why resurrect something that has failed before?

I realize that the section of the bill in question only recommends such a conference rather than directing for such a conference to take place. But why even recommend something that is bad?

Let us have faith in the competitive ability of the American farmer and let us not have a price-fixing arrangement that can only play us into the hands of less efficient foreign countries.

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

Mr. PERCY. I am delighted to yield to my colleague, the senior Senator from New York.

Mr. JAVITS. There is one problem in this matter that I have not heard mentioned by the Senator, and that is the language which the State Department, I think very properly, objects to on unduly binding our negotiators.

The whole theory which we now have and the Europeans have is that the only way we are going to get anywhere in these negotiations that are so critical to agriculture is that their hands be free, subject to congressional veto or whatever congressional action, but free.

Is it not a fact that the real difficulty with this amendment is the upper and lower limits, which in advance instruct

our negotiators, even should there be a negotiation?

Mr. PERCY. Absolutely. The Senator from New York is absolutely correct.

Mr. JAVITS. It seems to me, then, that in the interests of American agriculture itself, the amendment of the Senator should be agreed to by the Senate.

Mr. PERCY. Absolutely.

Mr. JAVITS. I thank my colleague for yielding.

Mr. TALMADGE. Mr. President, I yield such time as I may have remaining to the distinguished Senator from Minnesota, the author of the proposition the amendment seeks to strike.

Mr. HUMPHREY. Mr. President, may I respectfully inquire if my time is limited to 5 minutes?

The PRESIDING OFFICER. No, the Senator has 10 minutes on this amendment. Starting with the next amendment, it will be 5 minutes.

Mr. HUMPHREY. Mr. President, this amendment was not added to this bill as a mandatory requirement to the President, but it was added to the bill first as an authorization and then as a recommendation to the President to initiate a conference of the major grain exporting and importing countries, including two that traditionally have not been partners to GATT in the past, the Soviet Union and the People's Republic of China.

The Soviet Union is a big producer of grain, and in many years has been a net exporter and not an importer. Recently, because of unfavorable weather conditions, it has been an importer.

We know very little about the People's Republic of China, but we do know that every producer of feed grains and wheat in this Nation is affected by world market conditions, and we do know that those world market conditions will inevitably be affected by the supply and demand requirements of the U.S.S.R. and the People's Republic of China.

What is the purpose of this provision in our bill? It is to give this Government of ours some encouragement to move ahead on the question of world grains before concluding discussions and agreements under GATT which will be started at the ministerial level beginning this fall in Tokyo and which will probably not be concluded until nearly 1975.

Under the GATT agreements, we hope to come to some agreement relating to grains, but we have no assurances of that and that is why, in my judgment, we need to begin pursuing a world grains agreement as soon as possible which will include nations who in the past have not been included in the arrangements under GATT.

It is my judgment that all we are doing here is trying to stake out for ourselves some of the perimeters in which we will have to market our grains in world markets in the near future. We have much at stake in operating under international rules and agreements. We are not going to do too well if we are forced to operate under the law of the jungle. That is what we have been doing recently. The agreement of 1971 broke down primarily for two reasons; namely, because there were vast grain surpluses and the United States of America along with others started to dump onto the world market which contributed to the breakdown of earlier agreements.

I submit that what we are asking for here is a sensible, negotiating approach to a matter of international trade that basically will affect our future trade balances and our balance of payments. I do not think that we should leave this to accident or good luck.

What we are trying to do is what the Senate has done on several previous occasions, to advise the executive branch that we would like it to proceed on the basis of seeking workable understandings on production and supply, and on the minimum and maximum perimeters of price fluctuation in world market conditions.

This is not price fixing. This is an effort to give some sense of standard and direction in the field of international trade. It is not a quota. It is not a restriction. It is not a hindrance. What it amounts to is something that we have done with many other commodities, to have some understanding as to the rules by which we play the international trade game.

That seems to be where we have so much at stake, as we do in the field of agriculture, and grains especially, so that this makes a great deal of sense.

I am prepared to yield back my time, Mr. President.

Mr. PERCY. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I yield 1 minute on the bill to the Senator from Illinois.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Illinois is recognized for 1 minute.

Mr. PERCY. Mr. President, once again I thank my distinguished colleague from Minnesota, but I find myself once more in the position where I have shared so many interests with the distinguished Senator from Minnesota as the distinguished chairman of the Subcommittee on Consumer Interests of the Joint Economic Committee. I also believe that producers have certain rights, but when it comes to consumers versus producers, I come down on the side of the consumer every time.

Every time we introduce these agreements where minimum prices are established, I am afraid we tend to drive prices up. I am all for the bread eater—who wants to keep the cost down. That is the overriding thing today. I know that the Senator from Minnesota subscribes to that. He is a great advocate of the consumer. He always has been.

I believe that the producer will make out all right. It is the consumer that is hurting terribly today under present conditions.

Mr. HUMPHREY. Mr. President, I must have another minute left on the amendment, or on the part of the bill that we are talking to.

I am an advocate of the consumer and the way the consumer can have something to consume is to have a producer to produce something. There is no great battle going on between the farmers and the consumers. In fact, farmers are some of the greatest consumers in the world. They consume more steel, rubber, petroleum, and chemicals than any other segment of our national economy.

Let me say further that we do not have any minimum standards in agricultural trade such as they have in labor. We have fair labor standards. We do not hesitate to establish standards on interest rates. But when it comes to having some trade standards, for example, to assume that our producers are not the victims of mass dumping and unfair trade practices, we hesitate.

This amendment does not order anything; it merely authorizes the President to pursue early negotiations, negotiations which hopefully will include the Soviet Union and the People's Republic of China, regarding grains for export or import. Mr. President, up to the present moment, the People's Republic of China and the U.S.S.R. have been chosen not to participate under GATT. It is imperative, in light of their mass consumption and also the possibilities of their mass production, that they be included in future negotiations relating to international trade, particularly with respect to agricultural products.

Again, I urge the Senate merely to take what I consider a flexible, advisory position, and to advise the Chief Executive that he should proceed early to negotiate the best conditions that will permit some stability—some stability of production, some reasonable stability of price. That does not mean fixed prices; it means flexible prices, prices that will at least allow people to have some chance to engage productively in enterprise.

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. PERCY. I yield back the remainder of my time.

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining time on the bill be equally divided between the distinguished Senator from Georgia (Mr. TALMADGE) and the distinguished Senator from Nebraska (Mr. CURTIS).

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

The question is on agreeing to the amendment of the Senator from Illinois (Mr. PERCY). 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 Arkansas (Mr. FULBRIGHT) is necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Ohio (Mr. TAFT) is necessarily absent.

If present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 30, nays 65, as follows:

[No. 178 Leg.]

YEAS—30

Baker	Case	Packwood
Bartlett	Curtis	Percy
Beall	Dominick	Ribicoff
Bellmon	Fannin	Roth
Bennett	Goldwater	Saxbe
Biden	Gurney	Scott, Pa.
Brock	Hansen	Scott, Va.
Brooke	Hatfield	Thurmond
Buckley	Hruska	Weicker
Byrd, Harry F., Jr.	Javits Mathias	

NAYS—65

Abourezk	Hart	Mondale
Aiken	Hartke	Montoya
Allen	Haskell	Moss
Bayh	Hathaway	Nelson
Bentsen	Helms	Nunn
Bible	Hollings	Pastore
Burdick	Huddleston	Pearson
Byrd, Robert C.	Hughes	Pell
Cannon	Humphrey	Proxmire
Chiles	Inouye	Randolph
Church	Jackson	Schweiker
Clark	Johnston	Sparkman
Cook	Kennedy	Stafford
Cranston	Long	Stevens
Dole	Magnuson	Stevenson
Domenici	Mansfield	Symington
Eagleton	McClellan	Talmadge
Eastland	McClure	Tower
Ervin	McGee	Tunney
Fong	McGovern	Williams
Gravel	McIntyre	Young
Griffin	Metcalf	

NOT VOTING—5

Cotton	Muskie	Taft
Fulbright	Stennis	

So Mr. PERCY's amendment (No. 192) was rejected.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. YOUNG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, I send to the desk an amendment to section 808(c) of the pending bill, S. 1888.

The PRESIDING OFFICER. The amendment will be stated.

Mr. PERCY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 38, line 7, insert the following word "nonprofit" before the word "private."

On page 38, line 9, insert the words "public and nonprofit private" before the word "establishments."

On page 38, line 10, add at the end of Sec. 808(c) the following: "When an appropriate state or local agency contracts with a private establishment to offer, at concessional prices, meals prepared especially for elderly persons during regular or special hours, the Secretary shall permit eligible households who are 60 years of age or over or elderly persons and their spouses to use coupons issued to them to purchase such meals."

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

Mr. PERCY. I am delighted to yield.

Mr. TALMADGE. Mr. President, I have examined the Senator's amendment. The staff has examined the Senator's amendment. I have discussed it with the ranking minority member of our committee. I think it is a worthy amendment. I can see no objection to it. We are prepared to accept it and to propose it in conference with the House.

Mr. PERCY. Mr. President, I wish to express my appreciation.

Mr. President, the bill, as reported out by the committee, would authorize persons over 60 years of age—and their spouses—to use food stamps to purchase meals prepared by public and private establishments for the elderly. The purpose of this amendment, which has the full support of the Department of Agriculture, is to make clear that it is not the intent to extend this new authority to profitmaking food service concerns in general, but only to those which may enter into contracts with State and local agencies to provide low-cost meals to the elderly.

The food stamp program was specifically designed to give assistance to poor families to improve their home consumption of food. When the Congress was considering major amendments to the Food Stamp Act in 1970, it was pointed out that many of the aging faced special food problems growing out of their loneliness and isolation. It was further indicated that efforts to improve their food consumption, if correctly designed, could be the basis for efforts to combat the other problems of the poor—bringing them more fully into the mainstream.

As a result, the Congress, by amendment to the Food Stamp Act, made it possible for elderly persons who were participating in the food stamp program to use their stamps to purchase meals delivered to their homes by public and nonprofit private organizations. Congress also amended the Older Americans Act to provide a special program of Federal assistance to public or nonprofit private agencies preparing meals for the elderly in schools, senior centers, et cetera. Up to 90 percent of the costs of these programs can be paid out of Federal funds to bring the program within the economic reach of the low-income aging. Again, the focus is not on food alone—but on food as an integral part of a broad program of social assistance for the elderly.

Under the bill we are considering today, the Food Stamp Act would be further amended to permit elderly persons who are participating in the food stamp program to use their food stamps to purchase meals outside the home. The bill specifically mentions senior citizens' centers, apartment buildings occupied primarily by elderly persons, and schools. However, the language of the bill does not restrict the eligible agencies to those public and private groups which would operate these programs on a nonprofit basis or to those establishments which would enter into a contract with a State or local agency to provide low cost meals to the elderly.

The purpose of my amendment would be to make it clear that this new authority is extended only to nonprofit organizations which are preparing and serving meals for the elderly or to those establishments which have entered into contracts for that purpose of providing these services. I believe such action is necessary if we are to maximize the usefulness of the food stamp program to the elderly and give maximum encouragement to the use of Federal food programs to build a program of community social services that will meet the needs of the elderly.

The restrictions proposed in my amendment also would make the new authority more consistent with that now authorized in connection with the use of food stamps for prepared meals delivered to the homes of elderly food stamp participants. In this latter case, the food stamp amendments passed by the Congress in late December 1970, limited that authorization to public and nonprofit private agencies.

My amendments will help USDA avoid the problem of adding thousands of additional organizations, most of which would be doing a minimal food stamp business. It should be recognized, of course, that the new authority contained in this bill will increase USDA's cost of administering the food stamp program, because its staff will need to authorize and monitor the participation of these new agencies.

My amendment is designed to maximize food assistance benefits to the elderly and I urge its adoption by the Senate.

Mr. McGOVERN. Mr. President, as chairman of the Senate Select Committee on Nutrition and Human Needs, and as a Senator from a rural State with over 110,000 elderly persons, I am acutely aware of the food needs of our older citizens.

In a phrase, Mr. President, good food and good fellowship are more important to maintaining the health and well-being of the elderly than anything else.

It is for this reason that I moved within the Agriculture Committee to restore food stamp eligibility to about 1.5 million elderly persons now participating, but, as of January 1, 1974, barred from participating by the new supplemental security income program.

Mr. President, I support the interest of the SSI program to provide better and uniform cash assistance to millions of our older citizens.

But I do not believe that, in achieving that objective, it is necessary to risk the nutritional security of the elderly.

Yet, when we restore them to food stamp eligibility, I fear we will be subjecting the elderly to just such a risk.

Let me explain what I mean.

There is, at this very moment, great confusion regarding the implementation of the SSI program. Indeed, at the Governors' conference in Lake Tahoe this week there has been considerable discussion regarding a request that SSI implementation be pushed back to January 1, 1975.

The Governors are considering this move, because they understand just how complicated is this question, and how little time their State legislators have had to consider or act on it.

Indeed, as I understand it, not a single legislator has yet taken the actions necessary to implement the program as intended.

The primary reason for this delay has been the difficulty the Department of

Health, Education, and Welfare has encountered in reaching some basic decisions regarding program regulations.

It was only last week that the Department announced its decisions on critical cost-sharing formula provisions. And there are still other important unanswered questions that State legislators will want to be informed on before they act.

It is not clear, for instance, what kinds of special needs categories will be accounted for. It is not clear how the outreach provisions, vital to actual participation of the elderly poor, are going to be worked out. It is yet to be decided what assets will be permitted or excluded.

These are not easy decisions but, until they are made, I believe we must protect the nutritional needs of the elderly.

The Department of Agriculture, in publishing its food stamp eligibility guidelines, has determined what income level is required for a single elderly person or for an elderly couple to live and eat on. These levels are $178 for a single person and $232 for a couple.

If the elderly have less income than that, and no food assistance, they are almost certain to end up skimping on food, and, next, likely to end up lethargic and ill.

Mr. President, the vast majority of States, under the SSI program, will not have payment levels that meet the USDA guidelines. Yet, after all the talk about ending hunger, we are on the way to insuring, via a Government program, that millions of the elderly end up malnourished.

I do not believe that is wise. The major national organizations who represent the elderly do not think that is wise.

In fact, it is not only unwise but directly contrary to what the Government set out to do last year through Project Find. Project Find was a multimillion-dollar outreach program conducted last year which enrolled 190,000 elderly persons in the food assistance programs.

Now, after all that effort, those same persons are being told they cannot have those food benefits. This is nothing less than giving with the one hand and taking away with the other.

I understand that the administration's position is that restoring food benefits somewhat undermines the workings of the SSI program, giving the States disincentives to meet their obligations.

Frankly, I find these kinds of intricate accounting questions difficult to follow.

What is clear though is that unless the Congress acts decisively to protect its commitment to the hungry poor, then we will be risking hunger and malnutrition for over a million of our elderly.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. PERCY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

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

Mr. TALMADGE. Mr. President, I yield 30 seconds to the Senator from Michigan for a unanimous-consent request.

Mr. HART. Mr. President, I ask unanimous consent that access to the floor be granted to a staff member, Shirley Johnson.

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

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

Mr. TALMADGE. I yield.

Mr. McGOVERN. Mr. President, I ask that privilege of the floor be granted to two staff members, Marshall Matz and Ken Schlossberg.

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

Mr. CASE. Mr. President, I ask unanimous consent that privilege of the floor be granted to my assistant Steve Bryen.

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

Mr. JACKSON. Mr. President, I call up my amendment to section 815 of the bill.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 43, section 815, after line 24, add the following new paragraph:

"All exporters of wheat and wheat flour, feed grains, oil seeds and products thereof, produced in the United States shall, within 72 hours after a contract for such a commodity has been concluded with a foreign buyer, report as to the kind, class, quantity, and destination of that commodity to the Secretary of Agriculture. The Secretary shall promptly make public such reports. The Secretary shall further determine and make public the effect of such exports on domestic supply and demand of such commodities at regular intervals, but not less than twice each month. Any person who knowingly fails to report export sales pursuant to the requirements of this section shall be subject to penalties not to exceed $25,000 or one year in jail, or both."

Mr. JACKSON. Mr. President, I am introducing an amendment to S. 1888, the Agriculture and Consumer Protection Act of 1973, which is designed to insure the American public of an adequate supply of domestically produced foodstuffs including wheat and wheat flour, food grains, oilseeds and products thereof. The bill requires all exporters of agricultural commodities produced in the United States to report to the Secretary of Agriculture within 72 hours after a contract with a foreign buyer has been concluded the kind, class, quantity, and destination of that commodity. The amendment also requires the Secretary of Agriculture to promptly report export sales and to determine and make public the effect of such exports on the domestic supply and demand, at least twice each month. The amendment also includes strict penalties for exporters who do not report their sales within the 72-hour time period.

At the present time, the Export Administration Act allows the Secretary of Commerce to place controls on scarce commodities, including those encompassed in my amendment, but the act has no provisions which would enable the Department to determine where, how or when a shortage occurs. The Department has asked the exporters to "voluntarily" report their foreign sales, but I am convinced this is neither adequate nor fair to the American consumer. By requiring the exporters to promptly report their sales, we will assure the Department of Commerce the necessary information to determine whether export controls should be placed on the commodity in question.

Mr. President, I do not want a repetition of the failures of the famous Soviet "wheat deal"—a deal that shuffled our own consumers to the bottom of the deck. Last year's Soviet wheat sale may have solved their problems, but it created problems for the United States. For example, there are millers and independent bakers throughout the country who either cannot get delivery on soft white wheat—the prime ingredient in baking—or are forced to pay such high prices for wheat that they cannot compete with the large corporate firms. In my own State which produces the majority of soft white wheat in this Nation, one of the major millers wrote me earlier this month saying:

Today in asking for quotas on white wheat, we were informed that there is no wheat to be had at any price.

This problem, however, is not limited to wheat.

As chairman of the Senate Permanent Investigations Subcommittee, I have been deeply concerned that new and unprecedented rises in the prices of grains on the Nation's commodities exchanges could result in food prices rising even 15 to 20 percent higher this year. As a result, I have had the committee staff looking into activities of the Commodity Exchange Authority and the Nation's commodity exchanges. What troubles me greatly is that despite the chaotic situation in an area which affects all Americans, the Government seems powerless to even attempt to control the commodity industry which does $200 billion in business annually.

The best way to demonstrate how speculation in the commodities market has affected the wholesaler—and in turn the consumer—is to point out some statistics. At my request, Mr. John Heily, president of Continental Mills, Inc., in Seattle, detailed the percentage cost increases to him of several agricultural products during the last year. Between June 1, 1972, and June 1, 1973, egg solids rose 87 percent, flour 59.8 percent, soya 161.3 percent, shortening 42.9 percent, powdered milk 35.4 percent, and whey products 35.9 percent. The tragedy of this is that these increases must be passed on to the consumer in the form of higher priced baking products.

I believe that much of the speculation in the commodities market has stemmed from the inability or reluctance of the Nixon administration to assess and control foreign sales of agricultural commodities. Voluntary reporting of foreign sales by agricultural commodity exporters is not enough. If the job is to be done right—if we are to protect the consumer, and indeed our entire economy—the reporting procedures must be mandatory.

I have always supported and will continue to support the exportation of our surplus agricultural commodities as an integral part of our agricultural policy. However, I believe it is imperative that we first assure our country of an adequate supply of foodstuffs.

I believe my amendment will help in-

sure that the domestic demand will be met and will reduce the speculation now occurring on agricultural commodities.

Mr. TALMADGE. Mr. President, I have examined the amendment. It seeks to get information when exporters make contracts for wheat and products, feed grains, and oilseeds and products in the United States, by requiring them to report that fact to the Department of Agriculture within 72 hours. I think the purpose of the amendment is wise. I do not think I would be violating a confidence when I state that Secretary Brunthaver came by my office this morning to report certain information to me, and I asked him what steps they were taking to try to get information about commodity markets of this country, as to what foreigners were purchasing, and to what extent they are preparing regulations at the present time mandating these reports.

I have no objection to making it on a 72-hour basis. If the Senator from Nebraska has no objection, I have no objection to taking it to conference. If at that time it turns out there is some reason administratively this cannot be done but it can be done on a weekly basis, we can take another look at it at that time.

Mr. JACKSON. I thank the distinguished chairman. The permanent Subcommittee on Investigations, which I chair, has been looking into certain activities in connection with the foreign purchases of grain last year—purchases which neither we nor the Department of Agriculture had knowledge of for weeks. I was recently told that it would still take at least 30 days to find out when foreign sales were made. With what has been happening in the commodity futures markets, the amendment I am offering today is absolutely essential.

Mr. TALMADGE. That lack of knowledge and information is what causes the Department of Agriculture to pay export funds that cost this country $297 million on the wheat deal.

Mr. JACKSON. Mr. President, I ask unanimous consent that the name of the Senator from Washington (Mr. MAGNUSON) may be added as a cosponsor to this amendment.

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

Mr. JACKSON. I yield back the remainder of my time.

Mr. TALMADGE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALLEN. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 38, between lines 10 and 11, insert the following subsection:

"(d) by adding at the end of subsection (b) of section 3 the following: 'It shall also include seeds and plants for use in gardens to produce food for the personal consumption of the eligible household.'"

Mr. ALLEN. Mr. President, compared with many far-reaching provisions of the bill and many far-reaching amendments, this is, indeed, a minor amendment.

Mr. President, the bill before the Senate extends the food stamp program and the purpose of the amendment is to allow food stamp recipients to use stamps to purchase seeds and plants for use in their gardens. The recipients of food stamps would thus be able to use their own initiative to produce fruits and vegetables needed to provide variety and nutritional value for their diets.

While this amendment does broaden the definition of food items which may be purchased with food stamp coupons, I would expect that the food stamp recipients would be able to purchase the seeds and plants they need from grocery stores who are now participating in the food stamp program. I would not expect the Department of Agriculture to undertake the administrative costs of certifying those thousands of additional stores to supply the seeds and plants that food stamp recipients might wish to purchase.

Mr. President, the amendment would allow the food stamp recipient to purchase with his food stamps seeds and plants for the purpose of growing food for consumption by himself and his household. It would allow a person to buy $1 or $2 worth of seed or vegetable plants and possibly have available a plot of land and be able to raise $50 or $100 worth of food for himself and his family. It would encourage industry on the part of the food stamp recipient and it would be at no cost to the Federal Government.

I have spoken to the manager of the bill, the distinguished Senator from Georgia (Mr. TALMADGE) and also the ranking member of the committee (Mr. CURTIS). I would hope they would offer no objection to the amendment.

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

Mr. ALLEN. I am delighted to yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I would like very much to be a cosponsor of the amendment with my distinguished colleague.

Mr. ALLEN. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Rhode Island may be added as a cosponsor.

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

Mr. CURTIS. Mr. President, does the distinguished Senator yield the floor?

Mr. ALLEN. I yield the floor.

Mr. CURTIS. Mr. President, I rise briefly in opposition to the amendment. I am very reluctant to do so. I think there is much to be said for the Senator's amendment. On the other hand, this program has been consistently confined to the purchase of food. The people who use food stamps, for the most part, have some money, because they have to match money with stamps, not entirely but for the most part. So it does not mean they cannot get garden seeds.

One of the reasons I feel as I do about this amendment is that the distinguished Senator from Alaska (Mr. STEVENS) presented to the Committee on Agriculture and Forestry a case for our Eskimo citizens the opportunity to trade food stamps for ammunition in order to kill certain animals as part of their regular diet. As I see it, both amendments are identical. Both seek food stamps as a means to get food, one for ammunition and the other for seed. Inasmuch as we turned down one and it has been the view that we should not go beyond that, I wish to state my opposition to the amendment. I do so reluctantly because I realize it is a worthy objective.

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

Mr. ALLEN. I yield.

Mr. PASTORE. Mr. President, with all respect to my colleague from Nebraska, I think he is stretching the point a little bit when he compares garden seed with bullets. There is a big difference. After all, this is an amendment that promotes self-sufficiency and everyone knows the cost of food is going up by leaps and bounds. All this amendment does is to help these poor people who have to depend upon food stamps to go out and buy some garden seed and cultivate a little plot in their backyards. It encourages self-sufficiency. After all, this is an agricultural bill. We are talking about crops and food and we are not talking about bullets. I hope this will pass.

Mr. ALLEN. Mr. President, I yield back the remainder of my time.

Mr. CURTIS. Mr. President, I yield back my time.

Mr. TALMADGE. Mr. President, I yield myself some time very briefly.

I have studied the Senator's amendment. Various proposals have been made to extend the food stamp program to include soap, toothbrushes, toilet paper, perfumes, and ammunition that I have consistently opposed.

I think it is a mistake to greatly broaden the food stamp program. The Senator's amendment does have considerable appeal. If someone can buy some seeds and produce more food, he could perhaps get more value with those food stamps than by trading them in the store.

I am grieved to differ with the ranking minority member of the committee, but I have no objection to the amendment.

I yield back my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from New Jersey (Mr. CASE) is recognized.

Mr. CASE. Mr. President, if it is not out of order, I ask unanimous consent that the Senator from Minnesota (Mr. HUMPHREY) may be permitted to intervene.

The PRESIDING OFFICER. The Chair did not understand the unanimous-consent request.

Mr. CASE. I ask unanimous consent that the Senator from Minnesota be recognized.

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

Mr. HUMPHREY. Mr. President, I have an amendment at the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read the amendment, as follows:

On page 46, between lines 17 and 18, insert the following:

"SEC. . In carrying out the direct commodity distribution program under section 416 of the Agricultural Act of 1949, as amended, the Secretary of Agriculture shall use funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) and funds of the Commodity Credit Corporation as authorized by section 709 of the Food and Agriculture Act of 1965 to purchase on the open market those agricultural commodities, and the products thereof of the types customarily available and authorized to be purchased under such section 416 but necessary to provide recipient household members with 125 per centum of their daily nutritional requirements as prescribed by the recommended daily allowances of the Food and Nutrition Board, National Academy of Sciences-National Research Council. To the extent that funds in addition to those referred to above are needed to carry out the provisions of this section, the Secretary of Agriculture shall use any other funds authorized to be used for such purpose."

Mr. HUMPHREY. Mr. President, this amendment, very simply, would authorize the Secretary of Agriculture, with respect to the commodity distribution program to be able to purchase those products which are customarily made available under the commodity distribution program. Many of the commodities normally made available under that program are not available today because of tighter food supplies.

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

Mr. HUMPHREY. I yield.

Mr. TALMADGE. Mr. President, I have studied the amendment. The staff has studied it. I have talked with the distinguished ranking minority member of the committee, the Senator from Nebraska. We have checked with the Department on it. There is no objection to the amendment. I hope the Senate will accept it.

I yield back my time.

Mr. HUMPHREY. Mr. President, let me make a fuller statement on this amendment.

Mr. President, my amendment relates to the commodity distribution program through which low-income families in many parts of the Nation receive food commodities that are in surplus.

My amendment which is cosponsored by Senators KENNEDY, CASE, MCGOVERN, MONDALE, PERCY, HART, and HUGHES is designed to insure that recipients under this program receive enough food to meet their daily nutritional requirements.

As all of us know, due to the tightening of available surplus foods, recipients under this program have had the supply of foods they receive under this program cut back drastically in recent months. What my amendment would authorize and require is for the Secretary of Agriculture to guarantee the supply of foods made available under that program to insure that recipients get enough to meet their daily nutritional requirements. To the extent commodities needed to fulfill these requirements are not available under so-called surplus criteria, the Secretary, under my amendment, would be required to go out and purchase whatever additional foods may be needed to meet those daily nutritional requirements.

The 125 percent of daily nutritional requirements does not mean that recipients under this program will receive 25 percent over what they need. The nature of this particular program is such that the 125 percentum requirement is needed to make allowances for insuring that 100 percent of daily nutritional requirements are actually met. The 125 percentum figure is exactly the percentage amount that USDA is operating under presently in order to insure delivery of 100 percent of daily nutritional requirements.

Thirty-five States still have counties operating under the commodity distribution program. There are still 2.5 million Americans who rely upon this program as their only source for food. When this program was initiated, its sole goal was to provide outlets for farm production. Throughout the course of years it seems clear that the goal has at least become twofold: to provide outlets for farm surpluses, but also to provide the recipients of commodities the tools necessary for a nutritionally adequate diet.

Although the commodity distribution program has suceeded in its first goal, it has failed miserably in its second. The list of approved commodities is long but the list of commodities actually being delivered is growing shorter by the day.

In the last 18 months, many commodity programs have been unable to deliver vegetables, juices, dairy products, fortified macaroni, and other foods. Senate hearings have revealed the unavailability of those commodities necessary to provide a nutritionally adequate diet. It is obvious that something needs to be done to guarantee the availability of these foods to persons dependent on them for their sole source of nutrition.

For that reason, I am introducing this amendment which authorizes the Secretary of Agriculture to purchase commodities in the private market and make them available, along with existing commodities, to eligible recipients. The Secretary shall make such purchases when sufficient surpluses do not exist to guarantee the recipients of the program a nutritionally adequate diet. This bill attempts to expand and improve the present commodity distribution program so that it is of sufficient quantity and variety to constitute a nutritionally adequate diet as prepared and served.

If anyone has any doubts about the availability of surplus commodities today, I wish to call to their attention the fact that yesterday, USDA announced that they are going to discontinue their so-called plentiful foods program, an advertising program financed by USDA to advertise the availability of food commodities in surplus. The reason given yesterday by USDA for discontinuing this particular program was that there is not enough foods considered to be in surplus today to warrant continuation of the program.

I understand that the U.S. Department of Agriculture is willing to accept my amendment with the understanding that the foods to be supplied in the future for this program will consist of those foods or commodities that they normally have made available under this program in the past. I believe I understand their concern in that regard and have modified my amendment accordingly.

I ask unanimous consent that the list of States having counties still operating under this program along with a list of commodities now provided under that program be printed in the RECORD.

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

COMMODITY DISTRIBUTION PROGRAM

Alabama, Arizona (Navajo tribe), California, Delaware, Georgia, Guam, Idaho, Indiana, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, North Carolina, New Hampshire, Nevada, Nebraska.

North Dakota, Oklahoma, Oregon, Puerto Rico, South Dakota, Texas, Trust Territories, Virginia, Virgin Islands, Tennessee, Washington (dual operation—food stamp state with 3 counties operating both programs), Wisconsin and Wyoming.

Commodity distribution foods.

The foods currently on the list under the commodity program are as follows:

Food and recommended amount per person per month (pounds):

dry beans	2
bulgar	½
butter	1¼
cheese (not available in all areas)	1¼
corn meal	2½
egg mix (not available in all areas)	½
flour	5
canned fruits (i.e. pears, peaches)	1.8
fruit-vegetable juices	3
grits	½
split peas	½
macaroni	1
canned lunch meat (running out)	1.9
canned poultry (if lunch meat runs out, may get 3.6 lb.)	1.8
evaporated milk	1.8
nonfat dry milk (not available in all areas)	4
rolled oats or wheat	½
peanut butter	1
instant potatoes (not available in all areas)	1
rice	1½
shortening	1½
corn syrup	1½
canned vegetables	1
Total	38

As of May 25, there were 2.6 million people receiving commodities through 992 projects (counties and Indian reservation).

Mr. HUMPHREY. Mr. President, this list is the latest available, but it only covers the year ending July 1, 1972. Due to rapidly rising food prices, recipients of surplus commodities are undoubtedly getting fewer items now than they were last year.

Also, the recommended amounts listed are the maximum amounts allowed to any one person. Most States report that a smaller per person amount actually leaves their warehouses. The amount leaving the warehouses of each State varies, but the nationwide average is 75 percent of the recommended amounts. Program participants probably do not even get this much; by the time the commodities filter down through the entire distribution system, participants may receive as little as 50 percent of the recommended amounts.

The recommended by USDA amounts of the listed commodities provide:

Recommended daily allowance for:	Percent
Calories	80
Protein	144
Calcium	122
Iron	121
Vitamin A	127
Vitamin C	106
Thiamine	140
Riboflavin	142
If recipients receive 75 percent of the recommended amounts, they are getting:	
Calories	58
Protein	100
Calcium	76
Iron	86
Vitamin A	91
Vitamin C	82
Thiamine	98
Riboflavin	90

Mr. PERCY. Mr. President, I am delighted to join as a sponsor of the amendment proposed by the distinguished Senator from Minnesota (Mr. HUMPHREY).

As my colleagues know, in the 92d Congress and earlier this year I introduced legislation to expand and improve the surplus commodity program. On January 23, the Senator from Kentucky (Mr. COOK) and the Senator from South Dakota (Mr. MCGOVERN) joined me in introducing S. 549 to make the food distribution program more responsive to the recipients of these surplus foods and to make the delivery of food to the poor and ill fed the major aim of the program. Although I strongly support final adoption of this amendment, I will continue to urge the Senate Agriculture Committee to hold hearings on S. 549 which establishes a new program with specific standards for not only nutritional content but for consumer acceptability, packaging, and delivery as well.

I want to reiterate that neither my bill nor this amendment are intended to reverse the trend away from the food distribution programs and toward the food stamp program. However, as the Senator from Minnesota pointed out yesterday in his introductory remarks, over 2.5 million Americans still rely upon the surplus commodity program as their only source of food, and in the last 18 months many commodity programs have been unable to deliver adequate supplies of those commodities necessary to provide a nutritionally adequate diet.

I hope that food stamps will eventually replace commodity distribution entirely, and I hope that cash benefits to the poor will eventually eliminate the need for food stamps. But the record indicates that these developments are a long way off. Action is needed now by the Congress to authorize the Secretary of Agriculture to use already appropriated funds to make purchases in the private market when sufficient surpluses do not exist. We must guarantee the 2.5 million individuals who depend on the surplus commodity program a nutritionally adequate diet.

Mr. HUMPHREY. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. CASE. Mr. President, on behalf of the Senator from Massachusetts (Mr. KENNEDY) and myself, I call up my modified amendment No. 175, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

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

Amendment No. 175, as modified is as follows:

"(d) by amending subsection (a) at section 7 to read as follows:

"'(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted semi-annually to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor: *Provided*, That a special adjustment will be implemented on August 1, 1973, and shall incorporate the changes in the price of food through April 30, 1973.'."

Mr. CASE. Mr. President, this amendment to the farm bill, S. 1888, is designed to raise the value of food stamp coupons commensurate with the cost of food increases incurred since last July. My amendment is cosponsored by Senator KENNEDY.

Under the law, food stamp coupons are adjusted each year to reflect changes in the cost of food. This year, as we are all painfully aware, food costs have gone up dramatically. Since April of last year, food purchased for home use has increased 13.3 percent—and the cost of essential protein items has gone up even more. Broiling chickens, for example, are up 21 percent; hamburger is up 21 percent and eggs have gone up at least 35 percent.

In the face of these increases the Department of Agriculture proposes to raise the value of food stamp coupons only 3.6 percent—an increase to go into effect on July 1 and remain in effect until July 1, 1974, regardless of any further increases in food costs.

Nothing could be more cruel to the poor and the elderly living on fixed incomes. Most have already been forced to reduce their diets to the bare minimum. Many have eliminated from their diets foods such as hamburger, chicken, eggs, milk, and fresh vegetables.

The purpose of the food stamp program is to insure a nutritionally adequate diet. Accordingly, the Department of Agriculture is authorized to raise coupon allotments to keep pace with any changes in the cost of food. Sadly, the Department of Agriculture has flouted this mandate through a series of administrative regulations that emasculate the intent and letter of the law.

First of all, the Department of Agriculture figures food costs on the so-called economy diet plan. The economy diet plan is, as the Department tells us, intended for use during emergencies. The Department admits it is an inadequate diet, lacking the kind and quality of protein essential to good health on a long term. Because the food in this diet is considerably less desirable than that purchased by the ordinary family, food price increases under this diet plan do not reflect the cost increases sustained by the average consumer.

Moreover, the Department compounds the unfairness of reliance on the economy diet plan by using food costs in December as the basis for coupon allotments the following July. Thus the Department arrived at its 3.6 percent figure to take effect next month by using the cost of the economy diet plan for December, 1972—a figure that totally ignores the dramatic food price increases in January, February, March, April, and May of this year.

On February 23 I sent a telegram to Secretary Butz when news of the Department's planned 3.6 percent increase leaked to the press. I urged the Secretary to revise the scheduled updating of food stamps in keeping with the Department's own prediction earlier in February that food prices would go up at least 6.5 percent in calendar 1973. In fact, the cost of food has soared well beyond the Department's projection. For calendar 1973 alone food prices are up 9.9 percent.

My suggestion to the Secretary was rejected. And it was rejected despite the Department's awareness of deep congressional concern over the impact of food price increases on the poor and elderly. The Department has not merely rejected a more equitable basis for estimating food costs. It is even actively campaigning among State welfare agencies to urge their Senators to reject this amendment. Its appeal is not that the amendment is unworthy but that there is not time to implement a larger increase.

I have therefore modified the amendment I earlier submitted to take account of the Department's complaint. Instead of using the March 31 estimate of food costs as a guide, my amendment would permit the Department to proceed with the 3.6-percent increase already scheduled but would require it to update costs on the basis of the cost of food on April 31 and to put into effect the increase indicated on August 1, 1973. This will allow food stamp recipients to get the 3.6-percent increase already programed on July 1 and to get the further increase to which they are entitled on August 1.

Specifically, what will this amendment mean to recipients of food stamps? Currently, a family of four can purchase up to $112 in food stamp coupons per month. The actual amount they pay for food stamps depends, of course, on the income and assets of the family. The scheduled July 1 increase will raise the monthly allotment for a family of four only $4 or up to $116 per month. My original amendment would have brought the coupon allotment up to approximately $123 per month. The modifications I now propose will provide for an allot-

ment of about $124 per month, starting in August rather than July.

Last year the Department of Agriculture did not spend over $255 million appropriated for the food stamp program. A year before the Department did not spend $368 million appropriated for the food stamp program. While additional funds will be needed to carry out the provisions of this amendment—one estimate places the amount at $288 million, the actual amount needed in increased appropriations will be slight indeed.

A second and equally important provision of this amendment requires the face value of coupon allotments to be determined semiannually, rather than as at present on an annual basis. This change will benefit consumers if food prices continue to g up—or it can benefit the treasury in the happy event of a decline in food prices. I would hope, too, that the necessity to confront food costs every 6 months might stir the Department of Agriculture to greater efforts to reduce the price of food to all consumers.

The food stamp program, Mr. President, is vital to the health and well-being of millions of Americans. To remain a meaningful program, however, the benefits provided to recipients must keep pace with changes in the cost of living. I urge adoption of this amendment.

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

Mr. CASE. I yield.

Mr. KENNEDY. Mr. President, I am delighted to join the Senator from New Jersey on this amendment. It seems to make eminently sound sense. What we are attempting to do is to assure that those who are on minimum emergency diets are going to be able to upgrade them in relation to food stamps as there is an escalation in the cost of living for basic food commodities.

This amendment will insure that at least twice a year there is a review of the increase in the cost of food for those who are eligible to receive food stamps. The practical situation is that the adjustment which will be made on July 1 of this year will be made upon an increase in cost between December of 1971 and 1972. That will increase the basic amount from $112 to $116. Even the Department of Agriculture has stated that the increase from December to July will make that $125.

We know that those who are going to receive food stamps have to wait too long to have increases in their food stamp allotment, while we have enormous increases in costs of food. All we are trying to do is to assure that an adjustment will be made twice a year to equate the increase in food prices with the allocation of food stamps.

It certainly seems there is no group in our society who are more deserving or in greater need than those who are on a marginal level in terms of food sustenance.

I hope the amendment will be adopted.

Mr. CASE. I thank my colleague.

Mr. President, I would only point out that last year the department did not use some $255 million which was appropriated for the food stamp program. I think that is a pretty shocking thing. The year before, $368 million went unused.

The extension of the food stamp program is probably the most important provision of the whole bill. I hope when we do extend it, we will extend it effectively.

Mr. PERCY. Mr. President, will the Senator yield for a unanimous consent request?

Mr. CASE. Yes, with the understanding that I do not lose the floor.

Mr. PERCY. Mr. President, I ask unanimous consent that Vernon Goetcheus, of the Nutrition Subcommittee, be allowed the privileges of the floor, including rollcall votes, during consideration of the food stamp provisions of the bill.

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

Mr. TALMADGE. Mr. President, I yield myself 2 minutes.

Since 1968 the cost of the food stamp program has gone up from $172 million to $2.106 billion. Purchases under the food stamp program and all the commodity programs for our adult citizens now runs $4 billion a year. We are providing either free food or reduced price food or donated food now for some 42 million American citizens—school lunch program, 25.4 million, food stamps, 12.3 million, donated commodities, 4.4 million.

The cost of this additional amendment will be another $608 million.

I am totally sympathetic with what my friend seeks to achieve, but at a time when we cannot balance our budget, when we have had a devaluation of our dollar twice in 14 months, and a de facto devaluation which makes the devaluation 30 percent, I find it difficult to support programs that continue to escalate the cost of this program beyond the bounds of reason.

I yield back the remainder of my time.

Mr. CURTIS. Mr. President, the Senate should reject the amendment. I sympathize with the objective of the Senator's amendment. The fact remains that not all the responsibility for good works in the United States should rest on the U.S. Government. We still have 50 States. We still have cities and counties. We still have neighbors. There are still charitable organizations in the land. Not every burden in the world should fall on the shoulders of Uncle Sam.

As we look at the picture of what has been done in this field alone, in addition to all the other social programs and welfare and benefits, back in 1968, just before the present administration came to power, we were spending $172 million in food stamps. This year it is expected to be $2.1 billion, an increase of about 9 fold. The adoption of this amendment—and it is not without merit—would add $600 million more cost.

Mr. KENNEDY. Mr. President, will the Senator yield on that point on my time?

Mr. CASE. Mr. President, I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I do not know where the Senator from Nebraska gets the figure of $600 million. The figure that has been supplied to the committee shows about $350 million.

Mr. CURTIS. It is $600.9 million.

Mr. President, yesterday the Senate rejected an agricultural provision on the grounds that the hearings were not adequate. There have been no hearings in support of this amendment. This is not a small item. This program is increasing in the amount of a half billion dollars annually and without any hearings.

I realize that there are those who would contend that if one raises his voice to speak against an amendment including food stamps, he is for starvation. That is not true.

The proponents of the amendment have pointed out that not all of the money we have allotted in the past could be spent. Again, I say that not all the burdens of the world should fall on the shoulders of Uncle Sam. Uncle Sam has gone from $170 million to $2.1 billion, plus almost a like amount for commodity distribution in a very similar program. I therefore think the Senate should reject the amendment. It would be my hope that a bill could be introduced and that hearings could be held by the Committee on Agriculture and Forestry, which has the legislative jurisdiction.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, how much time remains to both sides?

The PRESIDING OFFICER. The Senator from Georgia has 3 minutes remaining. The Senator from New Jersey has 13 minutes remaining.

Mr. CASE. Mr. President, I do not think that we need to take much more time. I yield myself such time as I shall require.

The fact is that we are not attempting to expand the program to take care of all poverty. I wish there was some way to take care of all poverty. I do not know of any way to do that.

We are trying to make the food stamp program live up to its own promise, the promise of providing a nutritionally adequate diet for people who need it. This is not done under the administration by the Department of Agriculture. I have been working with them for a long time, for many months, trying to get them to administer the law in accordance with what I think is the clear intention of the law. I have not been successful. That is the reason that I have joined with the Senator from Massachusetts in proposing this amendment. It is not for the purpose of going hog wild, but it is for the purpose of giving an adequate diet to the people who need it as the law intends.

Mr. KENNEDY. Mr. President, will the Senator yield me 3 minutes?

Mr. CASE. Mr. President, I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, there is no more ridiculous argument that I have heard on the floor of the U.S. Senate than the argument that this proposal has not had any hearings. We need only to ask any housewife in the country about the increased cost of food commodities. We are trying to provide a minimum standard for people so that they can survive.

The Senator talks about the fact that

we have not had any hearings. We have all the evidence we need on this matter in the Nutrition Committee, headed by the Senator from South Dakota. Why should we blame the devaluation of the dollar and the balance of payments on the fact that poor people are trying to get enough to survive?

The Department of Agriculture has indicated that there are 3 million households receiving food stamps. The estimates of the USDA indicate that this adjustment is going to result in an increased cost that comes to a total of $324 million. We have all of the figures. According to the Department of Agriculture, they returned $208 million this year. The Senator from New Jersey said that they returned $300 million last year.

We are trying to find a bare minimum standard diet for the American people. We have many poor people in the country who are just trying to survive. Many of our fellow Americans need enough food to survive on. Why should we blame the balance of payments or the devaluation of the American dollar on the need of hungry people? That is one of the most ridiculous arguments made in the debate.

Mr. President, I fully support the distinguished Senator from New Jersey (Mr. CASE) and I am pleased to have this opportunity to explain why I believe the Senate is obliged to adopt amendment No. 175 to S. 1888, the Agriculture Act amendments.

Amendment No. 175 is designed to provide assistance to participants in the food stamp program in meeting the rapidly rising cost of foods. Department of Agriculture officials currently update food stamp allotments once each year based on food prices recorded during the previous December.

Probably, that procedure is acceptable during periods when price rises are not so dramatic. But the current food price crisis has so severely affected all consumers that many poor people are practically priced out of the food market completely. The purpose of this amendment is to enable food stamp participants to more nearly keep pace with rising food costs by adjusting food stamp allotments on a more timely basis.

Earlier this week, Agriculture Department officials testified before the Select Committee on Nutrition and Human Needs, that revised allotments would take effect on July 1, 1973. At that time the monthly allotment for a family of four would be raised to $116 in stamps, up from the current monthly figure of $112. That means those families would be forced to live with the $116 allotment through June 1974. Yet the Department has already revealed that $125 is actually required to purchase the quantity of food specified by the Department's own economy food diet. Already, we have seen a 13.3 percent rise in food prices since April 1972. And by June 1974, some observers project another 10 percent rise in food prices.

In order to insure that food stamp allotments will fairly begin to respond to real market prices, this amendment would authorize the Department to update benefits twice each year, beginning with the cost levels recorded at the end of March 1973.

When this amendment goes into effect, it will mean that food stamp participants will hopefully have a better chance to get decent nutrition, even during those times when food costs are unusually high.

This provision will offer vitally needed help for hundreds of thousands of elderly citizens living on fixed incomes, and for millions of poor families whose meager incomes fall short of meeting the pressures of today's distorted price structure.

I urge the Senate to adopt this amendment because of its importance to so many needy people.

Mr. CASE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CASE. Mr. President, is the Senator prepared to yield back his time?

Mr. TALMADGE. Mr. President, I ask unanimous consent that a tabulation showing the increased annual costs of this amendment be printed in the RECORD at this point.

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

ESTIMATED ADDITIONAL COSTS FOR FISCAL YEAR 1974 OF SENATE AMENDMENTS NOS. 175 AND 176 TO S. 1888

SENATE AMENDMENT NO. 175 TO S. 1888

	million
1. Base July 1, 1973, adjustment in coupon allotments on March 1973 cost of the Economy Food Plan ($125 for a family of four):	
(a) Increased annual costs for 12.5 million participants	$375.0
(b) Increased annual costs for 56-percent increase in participation	135.7
2. Semi-annual adjustment in coupon allotments would require new allotments for January–June 1974 ($130 for a family of four):	
(a) Increased costs for 13.1 million participants	98.2
Total additional Federal costs of No. 175	608.9

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. CASE. Mr. President, I yield 1 minute to the distinguished Senator from South Dakota.

Mr. McGOVERN. Mr. President, I would like to add one additional point to what has been said by the Senator from New Jersey and the Senator from Massachusetts.

It should be understood that what is proposed here is an increase in the food stamp allowance that is no more than the increase in the cost of food. We are not attempting to upgrade the budget or the content of the diet or anything of that kind. We are just saying that with the increased cost of food, we have to allow more food stamps for people just to stand still and be where they were last year.

That same logic applies to the farmers covered in the pending bill. The committee wrote a provision into the bill that if the cost of producing food goes up, we will increase the target price, the farm prices, and we will raise the price of feed grains, wheat, cotton, and the other things covered by the bill in accordance with the increased cost of production. That seemed to me to be a fair argument, that if the farmers' costs go up, the price ought to go up.

The Senator from Massachusetts and the Senator from New Jersey are saying that the same principle ought to apply to the poor people who are hungry. If we want them to stay as well off as they are today, it will require an escalating cost to be written into the bill so that the food stamps do not depreciate in value.

Since we are talking about poor people here, it seems to me that with the increasing cost of food, it is only fair. I think that it is a reasonable provision.

The Senator from Nebraska expresses the fear that we all feel about the cost of Government. Some 2 or 3 years ago there was a study made by the Budget Bureau that, for some reason unknown to me, is not available.

That study showed that it costs the taxpayers of this country 3½ times as much to deal with the cost of malnutrition as it would cost to prevent it. In other words, the cost of these various social programs to deal with people who were damaged by malnutrition would cost 3½ times as much. Some of them are mentally retarded because of an inadequate diet, and they are not productive people and are not able to put in a full day's work for a full day's pay. All of this is a cost to our society.

I think the money invested in this program will come back to us several times over in the form of healthier and more productive people and will reduce the cost of some of the other programs we have on the statute books to deal with the damage that is brought about by malnutrition and bad diets.

Mr. CASE. Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator from New Jersey has 5 minutes remaining.

Mr. CASE. Mr. President, I yield to the Senator from Minnesota such time as he might require.

Mr. HUMPHREY. I think the Senator from South Dakota has struck the note that symbolizes to me the justice of this proposal: That is, in the bill as it was reported from the committee, we have a provision that when the cost of production goes up, we increase the target price of the commodity accordingly. If we can do that for the producer, then when the cost of living goes up, I think we ought to have an escalator clause for the recipient of food stamps that mean so much to that needy person.

This is a very humanitarian amendment. I think it is economically desirable and sound. We have done the same thing, by the way, in other amendments that came from the Committee on Finance relating to social security; namely, we have an escalator clause in the social security program. This proposal has been advanced time after time. We have escalator clauses in contracts such as that of the United Automobile Workers, tied to the cost of living. What we would do here is to provide an escalator clause for those needy persons who are so dependent on food stamps for their daily food requirements.

I compliment the Senator from New

Jersey and the others who have joined in this amendment. I just could not stand here today, fighting as I always have for our farm people because I believe it is necessary that they have a chance to make a good living, and not at the same time speak up for those who suffer more than anyone else from inflation: The people on fixed incomes, the poor, and the people who are disabled.

Mr. CASE. Mr. President, I thank my colleague. I want to make just this additional remark, that as the Senator from Minnesota, the Senator from South Dakota, and the Senator from Massachusetts have very well pointed out, the essence of this proposal is just barely keeping the food stamp program even with the economic cost of living, and that is all. We are not trying to enrich it or anything else; we are just keeping the poor person who is on this program, or trying to keep him, in roughly the same position as others who are benefiting from the provisions in this bill, to guard against the penalty of his paying the full cost of inflation.

I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. CASE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The PRESIDING OFFICER (Mr. HELMS). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from New Jersey (Mr. CASE). 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 Arkansas (Mr. FULBRIGHT) is necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) are necessarily absent.

If present and voting, the Senator from Nebraska (Mr. HRUSKA) would vote "nay."

The result was announced—yeas 56, nays 38, as follows:

[No. 179 Leg.]

YEAS—56

Abourezk	Haskell	Montoya
Aiken	Hatfield	Moss
Bayh	Hathaway	Nelson
Beall	Hollings	Packwood
Biden	Huddleston	Pastore
Brooke	Hughes	Pearson
Burdick	Humphrey	Pell
Byrd, Robert C.	Inouye	Percy
Cannon	Jackson	Randolph
Case	Javits	Ribicoff
Chiles	Kennedy	Saxbe
Church	Magnuson	Schweiker
Clark	Mansfield	Scott, Pa.
Cook	Mathias	Stafford
Cranston	McGee	Stevens
Eagleton	McGovern	Stevenson
Gravel	McIntyre	Tunney
Hart	Metcalf	Williams
Hartke	Mondale	

NAYS—38

Allen	Domenici	McClellan
Baker	Dominick	McClure
Bartlett	Eastland	Nunn
Bellmon	Ervin	Proxmire
Bennett	Fannin	Roth
Bentsen	Fong	Scott, Va.
Bible	Goldwater	Sparkman
Brock	Griffin	Symington
Buckley	Gurney	Talmadge
Byrd, Harry F., Jr.	Hansen	Thurmond
	Helms	Tower
Curtis	Johnston	Weicker
Dole	Long	Young

NOT VOTING—6

Cotton	Hruska	Stennis
Fulbright	Muskie	Taft

So Mr. CASE's amendment was agreed to.

Mr. CASE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 208

Mr. AIKEN. Mr. President, I call up my amendment No. 208, sponsored by Senators HUMPHREY, DOLE, and myself, and ask that it be stated.

The PRESIDING OFFICER (Mr. SAXBE). The amendment will be stated.

The assistant legislative clerk read as follows:

On page 46, between lines 17 and 18, insert the following:

SEC. 818. The Agriculture Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended by:

(1) amending section 8c(5)(A) to read as follows:

"(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, or without fixing or providing a method for fixing minimum prices in the case of an order limited to milk products or milk used for manufacturing requiring announcement by handlers of prices to be paid producers and cooperative associations delivering to them, and fixing, or providing a method for fixing, minimum rates of payment to producers or associations of producers for services performed for a handler who is given the opportunity to purchase the milk with or without such services and elects to receive such services, such services to include, but not be limited to, (1) providing specific quantities of milk on designated days and providing milk of a specified grade, quality, or composition and (2) performing special services, such as, but not limited to, milk assembly, refrigeration, storage, laboratory work, quality supervision and accounting, and the time when payments shall be made for milk purchased from producers or associations of producers, and for services performed by producers or associations of producers. Such prices and rates shall be uniform as to all handlers, subject only to adjustment for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers, and (4) services utilized by a handler as provided by the order."

(2) amending section 8c(5)(E) by inserting before the period at the end thereof a comma and the following: "from producers or associations of producers, and (iii) for payment from the total use value of milk under paragraph (A), before computing uniform prices under paragraph (B) and reflecting adjustments in payments as among handlers under paragraph (C), to cooperative marketing associations qualified as provided in paragraph (F) of this subsection for services of marketwide benefit, including, but not limited to, the following:

"(a) handling of milk on specific days in excess of the quantities needed by handlers;

"(b) transporting milk from one location to another for the purpose of fulfilling requirements for a higher class utilization or providing a market outlet at any class of utilization; and

"(c) performing special market services, such as laboratory work, quality supervision, and accounting;

but excluding (i) providing economic, education, and legal services for the benefit of all producers, (ii) furnishing other services of an intangible nature not hereinbefore specifically included, and (iii) providing any services, whether of a type hereinbefore specifically included or not, which handlers are ready and willing to perform without charge.".

Mr. AIKEN. Mr. President, what this amendment would do would be to restore, after modification, two milk marketing provisions that were struck from S. 1888 by the Hart amendment yesterday.

HANDLER PAYMENTS

This would provide permissive authority to establish under Federal milk marketing orders rates of payment that handlers would be required to pay independent producers or associations of producers for services that they perform for the handler—milk dealer—in the marketing of the dairy farmers' milk. The handler would have to be given the choice of taking milk with or without the service, so that his election to take the service would be completely voluntary.

The handler payment provision would merely provide that all producers will receive the full price for their milk intended by the Federal order. This amendment would prevent handlers from requiring independent producers, or cooperatives, to render services for the handler for the benefit of the handler at rates below costs. Because of this, farmer prices under the milk order are impaired.

Any handler charge would have to be fully justified on both a cost and need basis at a full public hearing and could only be put into effect by a two-thirds vote of the producers.

MARKETWIDE SERVICES

This would establish permissive authority permitting Federal milk orders to provide for payments from the pool to cooperatives for services of marketwide benefit to all producers.

The payment would only be allowed if all the pool members—co-op and nonco-op—benefited from the services provided by the association of producers. No payment would be allowed for services which handlers were ready and willing to perform without charge.

Services envisioned would include inspection, laboratory work, quality supervision and accounting, and transporting milk from one location to another if this would result in a higher class utilization, thus insuring greater returns for all producers in that Federal order. Specifically excluded by the amendment are economic, education, and legal services.

Since this is permissive authority, it could only be included after full public

hearings and the Secretary must establish from the hearing record that the services to be performed are of benefit to all producers before a payment could be included in the order. The Secretary must also establish the reasonable value for the services in setting the rates of payment.

The amendment also would permit an order covering manufacturing milk to provide for price posting rather than for minimum prices. This would permit the handler to fix any prices he saw fit, but he would have to let all producers know the prices he was paying.

Finally, it must have approval of two-thirds of the producers subject to the order before it could be effective.

Mr. President, I have been asked, does this provide for block voting?

It does not change the present law in any respect in regard to block voting.

Now, Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Vermont has 16 minutes remaining.

Mr. AIKEN. I yield 6 minutes to the distinguished Senator from Minnesota (Mr. HUMPHREY).

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 6 minutes.

Mr. HUMPHREY. Mr. President, as was stated by the distinguished Senator from Vermont (Mr. AIKEN) yesterday, we indicated some of the features of the dairy section which were being eliminated by the Hart amendment which should be retained in this bill.

Efforts were made to prepare the proper amendment to do this, but unfortunately time ran out, and the vote on the Hart amendment was called for before this material was completed.

The amendment now before us is intended to retain in the bill those features which Senator AIKEN discussed yesterday, and those features which were adopted unanimously by the Senate in the form of the Talmadge amendments which were offered on Tuesday.

As has been pointed out on all features being considered to modify the Agricultural Marketing Agreement Act of 1937, these are permissive. They do not oblige any order to include them but do permit their consideration under the normal procedures for amending a milk marketing order, which include full justification in an open hearing where witness be heard, approval by the Secretary of Agriculture, and final approval by a two-thirds vote of producers in a referendum.

Let us now look at some of the provisions of the amendment submitted by Senator AIKEN, for myself, and for Senator DOLE:

MANUFACTURED MILK ORDERS WITHOUT MINIMUM PRICING

Presently, any milk order must establish minimum prices. However, this is impractical for any milk order which would apply only to manufactured milk products—such as butter, cheese, and nonfat dry milk—because the prices paid for such milk reflects a national market and a national competition, thereby making it substantially uniform.

Nevertheless, there is a need for orders for manufacturing milk to protect these producers from unfair or discriminatory practices and to insure that they are properly paid—both as to announced price from their buyer as well as on weights and tests. This amendment would permit such an order to be established, if two-thirds of the producers or of the participants so agreed. It would also authorize the posting of the price being paid by a handler in order to protect against discrimination among producers and to assure that producers are fully and properly paid.

SERVICE PAYMENT BY HANDLERS

Again, this is permissive authority to establish under Federal milk marketing orders rates of payment handlers would pay to independent producers or to associations of producers for the actual cost of services which they perform for the handler—milk dealer. In other words, all they are saying here is that a handler who gets the product from producers or an association of producers will pay for those services which are absolutely necessary under law to make that milk a desirable product in commerce. These services must have been requested by the handler. However, he cannot be obliged to pay them as a condition of acquisition of milk. In other words, he is permitted to buy his milk with or without the prescribed services; but if he elects to take such services, this would determine the basic rate of payment for such services.

This is necessary to protect the basic objective of the act to establish minimum prices—which is the present law, since 1937—which farmers will receive for their milk. Presently, handlers or dealers can exert pressure to receive such services free or at less than actual cost. These costs must then be borne by the producers and in so doing actually reduce their return to less than the minimum price prescribed in the order. This is particularly true in the case of small cooperatives or individual producers, and they will most benefit from this modification. Types of services which are contemplated are spelled out in the amendment. I emphasize that this particular provision is for the benefit of the small cooperative that has no real bargaining power with the handler whatsoever.

MARKETWIDE SERVICES

Again I emphasize—as did the Senator from Vermont—that this is permissive authority under the Agricultural Marketing Agreement Act. It does not by its passage automatically establish marketwide services in any milk marketing order. They would have to be developed as we have outlined earlier.

To clear up any misunderstanding, they could be charged only when it is clearly determined in the public hearing and by the Secretary of Agriculture that all producers on the market will benefit. All producers must benefit. If it is determined that any producers do not benefit, they cannot be invoked.

This seems only reasonable. If all benefit, then all should bear their share of the cost.

The amendment has eliminated some proposed marketwide services which had been questioned. Stricken were those provisions which relate to handling and disposing of milk supplies in excess of quantities needed by handlers and the furnishing of additional supplies of milk needed by handlers. Also stricken were the provisions relating to milk assembly, refrigeration, and storage services formerly shown in (2)(d) on page 6 of S1888.

Types of services covered—and again which must be proven to have marketwide benefit—are the handling of milk on specific days in excess of handler needs, transporting milk to obtain a higher class utilization or providing other market outlets when necessary, and special market services such as lab work, quality supervision, and accounting.

In response to Senator HART's query about such services being available—that is, laboratory services—where a handler did not use them "because his brother was a veterinarian," permit me to point out that such a situation would automatically disqualify "laboratory work" as a marketwide service because in his illustration it would not then be marketwide.

We welcome any opportunity at this point to make completely clear in the RECORD of this bill that these can only apply if they are truly and completely marketwide and benefit the producer.

So I believe this amendment is scaled down to where it is imminently fair and is limited to specific cases.

Mr. TALMADGE. Mr. President, in view of the fact that the distinguished ranking minority member of the committee, the distinguished Senator from Nebraska (Mr. CURTIS) and I, as chairman of the committee, both support the amendment, and it has already been approved by the committee, I desire that the time the Senator from Nebraska and I control be yielded to the Senator from Michigan (Mr. HART).

Mr. HART. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Michigan has 5 minutes remaining.

Mr. HART. Mr. President, I thank the distinguished Senator from Georgia and the distinguished Senator from Nebraska for their courtesy.

First, let me bring to the attention of the Senate the position of the departments of Government whose interests are involved in the amendment: First, the Department of Agriculture; second, the Department of Justice.

The position of the Department of Agriculture is addressed to the section of the language stricken yesterday without the modification reflected in the offering today.

The position of the Department of Justice is in response to the explicit language that we are now considering be reincorporated. I read, first, the impression of the Department of Justice with respect to the Aiken-Humphrey-Dole amendment.

The Department of Justice opposes amendment to the general farm bill which would provide for the setting of minimum prices for services to handlers and for a levy of charges against nonmembers for expenses incurred by a co-

operative for the activities of that cooperative.

The setting of minimum prices for services to handlers amount to legalized price fixing and prevents nonmembers or smaller co-ops from competing with the dominant co-op by offering more efficient services to the handler, which would ultimately redound to the benefit of the consumer.

This amendment not only sets the price for providing specific quantities of milk "on designated days and providing milk of a specified grade, quantity or composition," but would arguably legitimize and create an antitrust exemption for the practice of charging a very high additional price over the co-op's handling charge for any additional supplies needed by a handler who is not committed to an exclusive contract with the co-ops. These charges, absent enactment of this amendment, would amount to price discrimination unless cost justified. Such practices are the subject of the Department's suit against Associated Milk Producers, Inc.

With respect to the second feature of the amendment, no showing has been made to require nonmembers to support the activities of a cooperative. The amendment provides, in part, that nonmembers must make payments to co-ops for handling milk on specific days in excess of quantities needed and for transporting milk from one location to another to increase the class utilization in one market—that is, raise the price—and thus depressing it in another.

This amendment would require nonmembers to support activities—such as "loading the pool," or controlling the resale price of milk—which are the subject of the Department's antitrust suit against Associated Milk Producers, Inc. Such an amendment would tend to legitimize these activities.

Mr. President, yesterday the Senator from Oklahoma (Mr. BELLMON) inserted in the RECORD at pages 18532 and 18533 the position and recommendation of the Department of Agriculture. I shall not repeat that material but I ask unanimous consent that the position of the Department of Agriculture with respect to the two features be printed in the RECORD.

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

S. 1888—MILK MARKETING ORDER PROVISIONS

(Discussion is by page number of the bill)

I.[1]

P. 2 ". . . . Such order . . . may provide . . . that the bases of producers shall be allocated to the cooperative association while they are members thereof."

a. *Intent*—to permit the cooperative to offset underdeliveries of base milk by one member with overdeliveries of base milk by another. Under a Class I base plan, a producer receives a lower price for overdeliveries, i.e., the amount delivered in excess of his Class I base. The intent of this provision is of course, to prevent overproduction. The proposed change would give members of cooperatives a tremendous advantage over non-members. An individual coop member would not receive a lower price for excess milk so long as his excess were offset by the underproduction of other members. The non-member could not, of course, avail himself of such an offset. He and his fellow nonmembers would be at such a competitive disadvantage that they would eventually be forced into joining a coop. The provision would also allow a cooperative to transfer milk off the market and allocate such transfers to the excess deliveries of its members leaving its milk left on the market as base milk. Non-members would have their history of marketing automatically reduced if they took their base milk off the market.

Depending on how the provision is utilized by the cooperative, it could also deprive the coop member of the right to buy or sell base so long as he is a member of the cooperative. In other words, allocation of a members base to the coop could give the latter full control of the base, and the right to make decisions on transfer of base between and among members. This right, if it exists, could be used both as a carrot and as a stick by the coop leadership.

The legislative history to date implies that a producer can take his base with him when he terminates membership in the cooperative. But this is not explicit, and needs clarification. Furthermore, there is no showing as to what base he takes with him—his original base, the original base as altered under the base plan, the original base as altered by the cooperative, or something else.

b. *Recommended USDA position*—Opposition based primarily on (1) the potential adverse impact on non-coop members, and (2) ambiguities in potential treatment of the coop members themselves.

II.

P. 2 ". . . Such order may provide that a producer who has acquired a base under a cooperative marketing associations base plan . . . shall . . . be entitled to the history of marketing represented by the base held by him . . ."

a. *Intent*—To avoid difficulties that cooperatives have heretofore experienced in phasing into class I base plans. We have been unwilling to automatically transfer bases from a coop base plan into a successor Class I base plain, first, because there has been no legislative authority for doing so and, second, because to do so may not be fair to nonmembers. For example, a non-member buying a farm just before a Class I base plan is initiated would not be credited with the production history of that farm in determination of his base; the coop member buying a farm would, on the other hand, have been permitted an adjustment in his base and, on the basis of the above provision, this adjustment would carry forward into his new Class 1 base.

b. *Recommended USDA position*—Opposition, based primarily on possible inequities to non-members. We have no information with respect to the grounds on which the bases of cooperatives have been established. Frequently a producer will be given special considerations in computing his base as an enticement to join the cooperatives. We recognize that the problem of the transition from a cooperative base plan to a Federal Class I plan is difficult for everyone; the coop bases have value, and that value is lost or diminished in the transfer. Aside from this, it is difficult to evaluate farm transfers and a myriad of other factors that can affect production history. We recognize these problems, for we've been experiencing them in the implementation of Class I base plans. But thus far we've been able to work them out on an ad hoc basis, and hopefully in a fair and just way. Since each situation is somewhat different, we believe that the present system is preferable to legislating a solution that, though definitive, may not be fair to some or all of the producers involved.

III.

P. 3 ". . . The Secretary of Agriculture . . . may provide a price to be paid for milk in excess of base . . . at such level as he deems appropriate without regard to prices established for each class of milk. . . ."

a. *Intent*—To provide an additional tool for supply reduction under Class I base plans. Under such a plan, producers already get a lower price for their excess milk, i.e., milk produced in excess of base, than they do for milk produced in accordance with their base allocation. But they are, nevertheless, entitled to the Class II price (established under the milk marketing order as representing the market value of the milk) for that excess milk. The cooperatives argue that this may not be enough of a production disincentive and that the Secretary should, therefore, have authority to establish the price for excess milk at a level below that of the market value. Otherwise, say the cooperatives, the Class I base plan may fall for lack of production disicpline.

b. *Recommended USDA position*—Opposition, for several reasons. The cooperatives argue that if producers vote for a Class 1 base plan, production discipline is inherent therein, and that there ought to be available in the system sufficient authority to make that discipline effective. Hence, this additional provision. Notwithstanding this line of reasoning, it would not be in the public interest to favor additional production discipline at a time when food prices, including milk prices, are rising, and milk production is already on the decline. Any producer in the market—whether or not a member of a coop—would have the incentive to sell his excess milk to a nonregulated plant willing to pay more than the "below Class II" price established in the order—if there is such a plant in the vicinity. But this in itself would lead to inefficiencies in milk marketing. In order to avoid the low price for excess milk in their home areas, producers would begin to transport that milk to nonregulated plants further away, so long as the price differential would more than offset the additional transportation costs.

In summary, additional production control is incongruous at the moment, and the additional level of prices would probably lead to marketing inefficiencies.

IV.

P. 4—States that a milk marketing order may "provide a method for fixing minimum rates of payment to producers or associations of producers for services performed for a handler, including but not liimted to (1) providing specific quantities of milk on designated days and providing milk of a specified grade, quality or composition and (2) performing special services, such as but not limited to, milk assembly, refrigeration, storage, laboratory work, quality supervision and accounting . . ."

a. *Intent*—To require cooperatives to collect "service charges" from handlers under the order. At present, cooperatives must negotiate with handlers for the collection of such charges. This has been done successfully in some markets, for some items of "service." The degree of success is, of course, dependent on the respective bargaining power of the two parties as well as the competition among cooperatives if several are operating in the same market. Under the above provision, service charges could be authorized in the order itself. For cooperatives "selling" such services might be easier through a hearing procedure than through negotiation. It would also tend to make the charges more uniform if there were several cooperatives operating in the market.

We believe that we already have this authority under present law, though the language is not as specific as that quoted above.

[1] Section I through III apply to Class I base plan legislation. Page 4 of the bill extends such legislation for an additional five years. Though Class I base plans, which inherently are production control oriented, are difficult to justify at the present time, the extension will probably incur only limited opposition.

There is no doubt that cooperatives now perform many marketing functions that years ago were carried out by the handlers themselves. And there is no doubt that many, if not all, of these "services" are beneficial to handlers. If they were not performed by the cooperative, or by someone else, they would have to be performed by the handlers. The difficulty comes in identifying and quantifying the "services" so that fair and just payments are made under the order. For example, how does one quantify the value to a handler of being provided specific quantities of milk on designated days.

b. *Recommended USDA position*—Opposition, based on our position that these charges should be negotiated between cooperatives and handlers, rather than determined under the order. Negotiation is the free enterprise way of doing this, and it avoids the difficult, if not impossible, problem of identifying and quantifying "services" under the order. The Department of Justice points out that this provision is, in essence, legalized price fixing in an area that should be left to free competition. If, however, the Congress desires to pursue this course, the above language would be preferable to that of the existing law.

V.

P. 5—States that a milk marketing order may provide payment to producers or associations of producers ("before computing uniform prices") ". . . for services of marketwide benefit, including, but not limited to, (a) providing facilities to handle and dispose of milk supplies in excess of quantities needed by handlers and to furnish additional supplies of milk needed by handlers; (b) handling of milk on specific days in excess of the quantities needed by handlers; (c) transporting milk from one location to another for the purpose of fulfilling requirements for a higher class utilization or providing a market outlet at any class of utilization; and (d) performing special market services, such as, but not limited to, providing milk assembly, refrigeration, storage, laboratory work, quality supervision, and accounting; but excluding (1) providing economic, education, and legal services for the benefit of all producers. . . ."

a. *Intent*—To provide that cooperatives may collect "service charges" from the pool, i.e., from the milk proceeds prior to their distribution to producers. In other words, this gives cooperatives two options for obtaining reimbursement for such "services:" (1) from handlers, under the provision discussed in section IV, and (2) from all producer members and non-members, under this provision. With the exception of (c) above, the language of the two provisions is virtually identical. But the impact is considerably different. A non-coop member may well have no major objections to the provision of section IV, i.e., to the collection of service charges from handlers. But such member may object vigorously to the collection of such charges from the pool. The latter would directly reduce the amount of money that the non-coop member would receive for his milk. The cooperatives argue, of course, that these are services of benefit to all producers in the market, both members and non-members. Therefore, say the coops, non-members should have no objection to deduction of such charges from the pool. Some non-members would probably agree—but many would not. This is a highly controversial issue.

Note that this provision specifically excludes charges for economic, education and legal services. (A deduction for such services is now authorized in one of our orders.) Apparently this was added at the behest of some members of the Ag Committee in order to make sure that present dairy lawsuits are not financed from the pool.

This provision has many aspects of a "subsidy" for cooperatives. In the long run cooperatives would be weakened by their dependence on government regulation for operating income with its accompanying increased government supervision.

b. *Recommended USDA position*—Opposition, based (1) on the problems of identifying and quantifying such services (already discussed in section IV), and (2) more importantly, on grounds that such services are not necessarily beneficial to non-coop members. Even if they do have marketwide benefits, it is difficult to justify imposing those benefits on the non-member who does not want them.

In addition, most of these services are of primary benefit to the handler, rather than to the producer. Therefore, they should be collected from the handler. As indicated in section IV, our preference is that this be done by negotiation, rather than through the marketing order.

P. 6—Provides for the establishment of ". . . a reserve supply management program . . . designed to prevent unwarranted fluctuations in supplies . . . . by compensating cooperating dairy farmers cooperatives and handlers . . . . who . . . make their milk available in an efficient and orderly manner as needed.

a. *Intent*—To put under Federal regulation a so-called "standby pool," one form of which is now being operated on a voluntary basis by the cooperatives. The purpose of the standby pool is to ease new Grade A milk producers into the market system without unduly disrupting that system. This has been precipitated by the rapid conversion by producers in recent years from Grade B to Grade A, especially in some areas. If these new Grade A milk supplies were absorbed into the fluid milk market immediately, an excess of milk would have to be pooled under certain marketing orders, and producers in those orders would suffer. Thus, producers now operating under those orders are not anxious to have new Grade A producers enter. But they are willing to pay a few cents per hundredweight to keep that new supply in reserve. In addition, distant producers in an area where milk is in short supply during part of the year are also willing to pay a few cents per hundredweight to keep that new reserve supply available for use when needed. If they can call upon that supply on a moment's notice at a reasonable price, they can keep their handlers happy. Thus, nearby producers pay a little to keep this new supply from coming to their markets; distant producers pay a little to have it come to theirs, but only when needed.

Producers in the standby pool sell their milk to nearby manufacturing plants except when it is needed by the distant market(s). But they receive enough in payments from the other producers that their total returns are approximately comparable to those of their neighbors who are already in the nearby fluid milk market.

The standby pool does ease the transition from Grade B to Grade A, a transition with which dairy producers will have to live until (1) virtually all producers are Grade A, and (2) such producers are gradually absorbed into the marketing system. But such a pool does constitute a modification of the free market system and is, therefore; objectionable to the Justice Department. If standby pools are to be permitted to operate, Justice would much prefer that they operate under USDA jurisdiction, as provided in this legislation, than by the cooperatives themselves.

b. *Recommended USDA position*—Opposition to the legislation, on grounds that it needs greater public exposure and a careful hearing. It is very clear that some kind of Grade B-Grade A transitional mechanism is needed; but it is not at all clear that this provision is the proper mechanism. If government is to operate standby pools or "reserve supply management programs", whichever they are called, how do we decide (1) which producers can come into the fluid milk markets; (2) which must stay out of those markets; (3) which distant markets must contribute to the standby pool; (4) how much the producers must contribute; (5) how much the standby pool recipients are to receive; (6) at what prices will the standby pool reserve milk be made available to fluid markets; and a whole host of additional questions. In our judgment, legislation at this point would be premature. In addition, cooperatives could lose their Capper-Volstead exemption if proprietary concerns were to be included in the voluntary standby pool. If operated under a Federal program proprietory concerns would be permitted to participate.

VII

P. 8—". . . [I]f one-third or more of the producers . . . in a milk order apply in writing for a hearing on a proposed amendment . . . the Secretary shall call such a hearing . . . [T]his section shall not be construed to permit any cooperative to act for its members. . . ."

a. *Intent*—Self explanatory. USDA now has discretionary authority in the calling of hearings, and hearing requests are occasionally refused. The above provision would remove that discretionary authority.

There are a number of reasons why hearings may be refused. If, for example, the action requested would not be legal, there is no point in holding a hearing. Likewise, if the action would be clearly contrary to the general philosophy of the Administration, or specific policies of the Department, there is no point in holding a hearing. Hearings cost the government money, and cost producers and handlers money. Those costs simply should not be incurred when there is no chance that the requested action will be granted

b. *Recommended USDA position*—Opposition, based on (1) potential abuse of the provision, and (2) absence of proven need. As presently written, the provision withdraws all the Secretary's discretion. He could not refuse a hearing for any reason, even illegality of the proposed action. And, if one hearing were held and a request denied, a third of the producers could force the Secretary to immediately call another hearing on the very same issue. Thus, hearings could be used to harass the Department, at great expense to the taxpayer. (Fortunately, this risk is somewhat minimized by the provision which prevents cooperatives from acting for their members.)

This legislation was probably precipitated by our denial some weeks ago of hearing requests on Class I prices. Producer associations sought an increase in such prices, an impossible request under the circumstances. Nevertheless, they argued vigorously that they should have had a chance to present their case, even if it would not have been favorably received

We have an obligation not to be precipitous and arbitrary in evaluating hearing requests. When in doubt, we ought to grant such requests, for it is essential in a free society that people be able to enunciate their views. But neither should we waste time and money in useless proceedings. The application of proper administrative judgment would seem to be preferable to legislating an inflexible approach, as is done in this provision.

VIII

P. 9—Provide that the Secretary shall fix prices under the orders that will ". . . insure a sufficient quantity of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs and be in the public interest."

a. *Intent*—Perhaps simply to clarify the section, but probably also to justify higher order prices. The added language starts with

"to meet" and ends with "future needs." Presumably references to levels of farm income are intended to enhance producer arguments for higher order prices. The recent requests for a Class 1 price increase were based primarily on (1) higher feed costs, and (2) an expected decline in net income to dairying.

b. *Recommended USDA position*—Neutrality. We believe that the factors encompassed in the amendment are already implicit in the current language. Thus, the amendment adds nothing substantive to the section. If costs of production are not met, and if an adequate income is not provided to dairy producers, productive capacity will decline, and consumer needs will not be met. The Department now has an obligation to make sure that those needs are met, and this obligation will remain unchanged. Nevertheless, if the amendment is simply to clarify or make more explicit the present language, we see no harm in that.

IX

The Justice Department, in a recent letter to Senator McGovern, has indicated its opposition to these amendments on specific grounds, as well as its general opposition to the anticompetitive tone of the amendments. The Department is also concerned that the intent of at least some of the provisions may be to authorize certain cooperative conduct which is now under prosecution. Several of the specific provisions are directly involved in the litigation. These include the cooperative base plan, the operation of the voluntary standby pool, and the amount of the service charges to handlers.

It is noteworthy that no hearings were held on any of these amendments.

Senator Hart's proposed amendment would delete all these provisions except: (1) the one on productive capacity in fixing Class I prices [Section VIII]; (2) mandatory hearings on [Section VII]; and (3) the five year extension of Class L base plans.

Mr. HART. Mr. President, I know that the Department of Justice can be thought to be oversensitive to any legislative proposal which would tend to jeopardize actions which it has filed and which are pending in court. I urge my colleagues to reject this amendment for the reason that it is unwise. The Department of Agriculture shares my feeling that the features, even with the modifications, would be objectionable. I hope we reject the amendment.

Mr. AIKEN. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, for the last 20 years I have heard that certain Department of Justice representatives have taken this position in every way they can think of. This is a war that has been going on between them and the farm cooperatives for almost a generation.

Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I am one of the few Senators who found merit in the amendment as it was before it was stricken by the action of the Senate yesterday. I felt the colloquy I had on two occasions with the chairman had at least laid to rest some of the arguments by supporters of the amendment. Now we are back to what I consider to be a very realistic compromise.

As the distinguished Senator from Vermont said yesterday, there was certain merit to the committee amendment.

These are, as the distinguished Senator from Minnesota just pointed out, permissive amendments, providing permissive authority. There must be hearings, there must be a two-thirds vote. All possible questions have been raised and properly answered.

I hope the Senate in its wisdom would adopt this compromise.

Mr. President, in my discussions with several of my colleagues the past few days as we considered various amendments to this farm legislation it has become apparent that some are not aware of the situation that these hardworking dairy farmers face.

Toward clarification of this fact I would like to cite the fact that the number of dairy cows in the Nation have decreased constantly in recent years, from approximately 22 million in 1950 to 17.5 million in 1960 and 12.5 million in 1970.

In my State of Kansas the number of cows have decreased 40 percent in the last 10 years, and the number of farms have decreased from 46,889 in 1960 to only 12,563 in 1970.

I would list four factors which have contributed most to the decline in numbers of dairy farms and milk producing cows:

First. The operation of a dairy farm is perhaps the most confining occupation in existence, requiring the dairy farmer or his employee to be present twice a day for milking.

Second. The work is physically hard, far more than nonfarm occupations paying considerably higher wages.

Third. Feed prices have continually increased along with other inflationary trends.

Fourth. This same inflation has required further investment by the dairy farmer till the average investment is well over $200,000.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for 1 minute?

Mr. AIKEN. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I want to say with reference to the Department of Justice that the Senator from Vermont is so eminently correct. They have been waging this battle for as long as I have had the privilege to serve here. But this is the same Department of Justice that did not have the courage to pursue its case against ITT's merger involving the Hartford Life Insurance Co. The Department of Agriculture will have to sanction adoption of these provisions and the Secretary of Agriculture will have to be assured that these provisions benefit every producer, marketwide—yet the Department of Justice says this is a conspiracy. We have looked over this amendment and taken out anything that would give preference to just big cooperatives. It has been trimmed to benefit all cooperatives, big and small ones.

When I hear it will cause minimum payments for services, the Federal Marketing Act provides for minimum prices for milk and it has since 1937.

Mr. AIKEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. AIKEN. Mr. President, I would like to say that the argument made about the Department of Justice, which is the usual argument against this amendment, could be made equally against the present law which provides for the establishing of marketing orders. The Justice Department has never indicated enthusiasm for marketing orders. I do not think that position has been changed much, if any.

This amendment will be beneficial to the dairy industry without doing any harm to the rest of the population.

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

Mr. AIKEN. I have 1 minute remaining.

Mr. HUMPHREY. Is it not true that under the terms of this amendment any association of farmers, whether they are called cooperatives or not, if they are an associated group, could qualify to benefit under the provisions of this amendment.

Mr. AIKEN. Yes, that is right and they have to make their case before they can get approval, with public hearings and a decision made by the Secretary. Then it has to be approved by two-thirds of the producers.

Mr. HUMPHREY. In other words, the National Farmer Organization, or a cooperative, if they can make their case, under the terms of the Marketing Act of 1937, would qualify?

Mr. AIKEN. That is right.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. AIKEN. Does the Senator from Michigan want to yield back his time?

Mr. HART. Mr. President, do I have any time remaining?

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

Mr. HART. Mr. President, will the Senator yield to me for 1 minute?

Mr. AIKEN. I yield 1 minute. I will probably disagree with what the Senator says, but I yield 1 minute.

Mr. HART. Mr. President, we have had reaction with respect to the attitude of the Department of Justice. In substance it is opposed to cooperatives, and, second, it is prone to look the other way with respect to other antitrust settlements.

Mr. AIKEN. I agree with that.

Mr. HART. But what about the Department of Agriculture? Whose side are they supposed to be on? They say with respect to both of these, these charges should be negotiated. Those who spoke in support of the amendment know the Department of Agriculture better than I do, but they are much more harsh in their condemnation of the proposal pending here than the Senator from Michigan. We have the Department of Justice saying, "Do not take this amendment." We have the Department of Agriculture saying, "Do not take this amendment."

I did not have a chance to poll the Treasury. Have we not come about as far as we can to establish the fact that

those not directly involved say this is a bad idea?

The PRESIDING OFFICER. All time has expired.

Mr. CURTIS. Mr. President, I yield 1 minute to the Senator from Vermont on the bill.

Mr. AIKEN. Mr. President, I have discussed this matter with people in the Department of Agriculture I have not discussed it with the Department of Justice. I am sure if there is any opposition to it, it is extremely luke warm on the part of the people in the Department of Agriculture who are responsible for handling marketing orders and carrying them out.

Mr. HUMPHREY. Mr. President, will the Senator yield me the other half-minute?

Mr. AIKEN. I yield.

Mr. HUMPHREY. Is it not true that the language the distinguished Senator from Michigan read related to the amendment that was in the original text of S. 1888? This is a revised amendment that is much more limited.

We have discussed this amendment with the people in the Department of Agriculture who work in the dairy section. They did not put out any huge bombast against it. We have eliminated most of the criticisms the Senator from Michigan asserted. Under the amendment the individual still preserves his rights.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment (putting the question.)

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. All the time on the amendment having expired and the yeas and nays having been ordered, the question is on agreeing to amendment No. 208, offered by the Senator from Vermont (Mr. AIKEN) for himself and other Senators. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), is necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from New Mexico (Mr. DOMENICI) is about to attend the funeral of a friend.

The Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

On this vote, the Senator from Nebraska (Mr. HRUSKA) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Ohio would vote "nay."

The result was announced—yeas 38, nays 54, as follows:

[No. 180 Leg.]

YEAS—38

Abourezk	Eastland	Mansfield
Aiken	Ervin	McClure
Baker	Fannin	Mondale
Bayh	Goldwater	Montoya
Bible	Gravel	Nelson
Brock	Hansen	Nunn
Buckley	Huddleston	Pearson
Byrd, Harry F., Jr.	Hughes	Proxmire
	Humphrey	Scott, Va.
Clark	Jackson	Stafford
Curtis	Johnston	Stevens
Dole	Long	Talmadge
Dominick	Magnuson	Young

NAYS—54

Allen	Griffin	Packwood
Bartlett	Gurney	Pastore
Beall	Hart	Pell
Bellmon	Hartke	Percy
Bennett	Haskell	Randolph
Bentsen	Hatfield	Ribicoff
Biden	Hathaway	Roth
Brooke	Helms	Saxbe
Burdick	Hollings	Schweiker
Byrd, Robert C.	Javits	Scott, Pa.
Cannon	Kennedy	Sparkman
Case	Mathias	Stevenson
Chiles	McClellan	Symington
Church	McGee	Thurmond
Cook	McGovern	Tower
Cranston	McIntyre	Tunney
Eagleton	Metcalf	Weicker
Fong	Moss	Williams

NOT VOTING—8

Cotton	Hruska	Stennis
Domenici	Inouye	Taft
Fulbright	Muskie	

So the amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5610) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 533) authorizing the President to proclaim June 17, 1973, as a day of commemoration of the opening of the upper Mississippi River by Jacques Marquette and Louis Jolliet in 1673.

The enrolled joint resolution was subsequently signed by the President pro tempore.

COST INFORMATION ON S. 354, THE NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

Mr. MAGNUSON. Mr. President, when the no-fault bill was considered on the floor last year, many of my colleagues expressed concern over the cost implications of a Federal bill. I am pleased to report that the Senate Commerce Committee has received information which should completely dissipate such concern and demonstrate to my colleagues the dollar savings potential of the Federal standards legislation.

In October 1972, the firm of Milliman & Robertson, Inc., was retained by the National Association of Insurance Commissioners to establish a credible procedure for costing various no-fault proposals. The NAIC felt that conflicting cost estimates offered by different special-interest groups had posed an obstacle to legislative progress concerning no-fault.

In early May of this year, I asked Commissioner Van Hooser, president of the NAIC to provide the Senate Commerce Committee with certain cost information on S. 354. Commissioner Van Hooser kindly agreed to do this and asked Milliman & Robertson, Inc., to work up the data requested for five States differing in size, geography, and other particulars. The States selected were California, Kentucky, New Hampshire, Pennsylvania, and Texas.

Because the Federal standards approach incorporated in S. 354 gives the States considerable flexibility in designing their own State plans which comply with the Federal standards, a number of different alternatives which a State might choose were tested.

The results were dramatic.

Costs of S. 354 assuming each of the five States chose unlimited medical expense protection, up to $50,000 of wage loss protection for each accident victim, loss of services protection at $15 per day up to 3 years, and up to $50,000 in survivor loss protection when compared with costs for bodily injury insurance under the present lawsuit insurance system were as follows:

	Percent
California, decrease	11
Kentucky, decrease	1
New Hampshire, increase	9
Pennsylvania, decrease	8
Texas, decrease	17

(SOURCE: Exhibit II.)

If the States for cost reasons trimmed back the benefit package as permitted under S. 354 to unlimited medical expense protection, up to $25,000 of wage loss protection, loss of services protection at $12 per day up to 1 year, and survivors loss benefits up to $5,000, then the following results have been projected:

	Percent
California, decrease	33
Kentucky, decrease	29
New Hampshire, decrease	21
Pennsylvania, decrease	30
Texas, decrease	37

(SOURCE: Exhibit II.)

What about the relative value between no-fault insurance and the present system?

Milliman & Robertson, Inc., estimate that a no-fault package as in the first illustration above would give consumers much more value for their premium dollars.

Percent of additional people compensated and percent increase in amount of compensation:

California	88	81
Kentucky	98	110
New Hampshire	80	99
Pennsylvania	75	90
Texas	100	114

In other words, in Texas where the cost is estimated to go down 17 percent,

the number of people compensated is projected to go up to 100 percent and the amount of dollars paid to those who are injured is expected to go up to 114 percent from the existing fault insurance system in that State.

That is what I call a pretty good deal.

I ask unanimous consent that the entire submission by Milliman & Robertson, Inc., submitted to the Senate Commerce Committee be printed in the RECORD at this point. I call particular attention to the caveats pertaining to S. 354 cost estimates that have been attached to the original submission by the reviewing actuaries, particularly the caveat that begins "S. 354 is a powerful piece of consumer legislation * * *."

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

FINAL REPORT OF MILLIMAN & ROBERTSON, INC. CONCERNING SENATE BILL 354, COST ESTIMATE STUDY

SUPPLEMENTARY STATEMENT PERTAINING TO S. 354 COST ESTIMATES

On May 23, 1973, we asked that the attached statement and its conclusions be regarded as tentative and that we be given two weeks to prepare our final report. This statement, together with the amended and augmented attached statement, constitutes that final report.

Amendments to the original statement consist solely of the note on page 12 of the text, and the corresponding asterisks and footnotes in Exhibits I and II. No numbers or words have been changed from the original. Augmentation, other than this statement, consists solely of the attached "Caveats Pertaining to S. 354 Cost Estimates." No other changes have been made. The significance of these additions should not be minimized, however, for they constitute an important and inseparable part of our final report.

Withholding our prepared statement at the eleventh hour was an unusual and unexpected action that requires explanation. Such is intended here.

It became clear only on the morning of May 23 that our level of confidence in the prepared statement was not sufficiently great to authorize its release. This unfortunate and embarrassing situation developed in spite of our diligent efforts over the preceding several days to bolster that confidence level, but instead it sagged. Once made, the decision that confidence was lacking compelled the decision to withhold the report, irrespective of any consequences.

It should be noted and emphasized, as was stated at the hearing on May 23, that our action (or better, inaction) did not constitute disagreement with the actuarial assumptions or any other aspect of the report including its conclusions, but only that the prepared statement could not be submitted as final until it had undergone further review.

It is understandable that the chain of events might in some persons' minds conjure visions of pressure or inducements or threats aimed at preventing release of a report deemed objectionable. We can state categorically that no such pressure or inducements or threats were received from anyone at all in connection with the report (original or revised); nor, to the best of our knowledge, have any such been received by anyone working on the project from any quarter whatsoever at any time. Our asking for additional time for review was dictated solely by our need for additional confidence that our conclusions were reasonably accurate and not misleading.

There were a number of reasons for our uncertainty regarding the original report and its conclusions. Some have diminished or disappeared with our subsequent review, and more may do so with the passage of time, but all were important on the morning of May 23 and, taken together, were compelling. These reasons fall generally into three categories, discussed below.

(1) *Crisis atmosphere.* For a variety of reasons relating mainly to the disparity between size of task and time available, a crisis atmosphere has permeated this entire no-fault costing project. This was first viewed as an intolerable situation, however, on or about May 22 when it became apparent that effective peer review would not be possible in time for the May 23 hearing. Since no consulting actuarial firm can afford to turn out reports bearing a high risk of error, the crisis atmosphere and resulting lack of review dictated by itself the necessity for additional time before release. Our concern over report accuracy should not be considered academic, moreover, for one no-fault costing report recently was delivered by us to a client state, with the stated conclusion that the proposed legislation would decrease costs by 8%, whereas the correct conclusion based on report data was that it would increase costs by that amount. The error was discovered within a week or so and correction made, but a repeat performance would clearly be unacceptable. Thus, the crisis atmosphere loomed large as the hearing drew near.

2.) *Reconciliation with Prior Reports.* A second problem area contributing to uncertainty was the apparent fact that the report conclusions did not reconcile well with those of prior reports. In an attempt to resolve this problem we used the model to cost S. 354 for a "sixth state" for which we had already priced another no-fault bill. Since S. 354 and this other bill were both based on the same model legislation we expected fairly close agreement, but instead found a 24-percentage-point spread between our conclusions. In the course of our subsequent investigations we found that there were indeed serious questions concerning our determination of death costs, particularly where survivor benefits were large. We also found that we were largely able to reconcile the spread after all, the difference being due in large measure to benefit limitations contained in S. 354 and absent in the other bill. Even if this reconciliation had been available on May 23, it still would probably have been incumbent upon us to point out the reasons for our apparent discrepancy with an earlier report. The fact that it was not then available, however, added to our uncertainty at the critical time.

(3) *Potentially costly provisions in S. 354.* The third problem area dealt with S. 354 provisions having potential cost implications that might or might not be significant, but which generally were so susceptible to judicial interpretation or legislative actions or administrative procedures as to be beyond the current capabilities of our model. A number of such provisions gave us concern in our eleventh-hour review, but subsequent consideration results in the following categorization of those provisions (parenthetical references are to bill section).

The following provisions of S. 354 were believed on May 23 to have been potentially costly to a significant extent, but further review leads us to conclude that this is probably not so or that sufficient recognition has already been made within the input assumptions:

(a) Nonenforcement of the mandatory coverage feature of the bill (102e) may result in few new entrants to the insurance premium pool.

(b) Presumably-settled claims may be reopened if the claimants' condition deteriorates or perhaps even if medical cost inflation outstrips expectations (104b2).

(c) New entrants (204a1) to the assigned claims plan (106) may result in added costs beyond the current system.

(d) The deductible on pain and suffering losses (206a7) may be nullified (111b) or may be effectively eliminated by juries.

(e) Work loss benefit restrictions do not necessarily ensure avoidance of premium increases (210a2).

The following provisions of S. 354 were believed on May 23 to have been potentially costly to a significant extent, and further review leads us to conclude that this could well be so, particularly in the aggregate. These have not generally been included in our model processing and thus are not generally reflected in our conclusion. This should not be construed, however, as any denial on our part that these provisions might well have very significant cost implications:

(a) Loss includes maintenance as well as use of a motor vehicle (101–10). While the workmen's compensation offset covers much of this cost, there well may be a residual cost increase of appreciable proportions.

(b) The work loss benefit for an unemployed or occasionally employed person could often become the statewide average income, with the burden of proof that it should be a lower amount falling on the carrier (101–18).

(c) Premium rates for economically disadvantaged persons as a class (teenagers, for example?) must not be so great as to deny them access to the highways (103a4). Presuming that there is now such denial, this provision would add new entrants to the driver class, as well as to the claimant class. This provision, by the way, potentially requires a rating subsidy, which appears to conflict with the earlier requirement that the rates not be unfairly discriminatory.

(d) Several provisions require the carrier to make payments in questionable cases and then later be entitled to recovery from others (104a3, 109c, 205d). Such reimbursement will often not be forthcoming, and the resulting costs will make their way into the basic premium pool.

(e) Late payments bear interest at 18% per annum (104a2) and probably will involve an attorney since his fees must be paid by the carrier (105a1). This inevitably means that more questionable claims will be paid, or that interest and attorney's fees will be paid, either of which adds to the cost of the system.

Mention was made above of our having serious questions regarding death costs where extensive survivor benefits are provided. In the course of our review subsequent to May 23 it was decided that certain changes should be made in the death cost processing, and S. 354 was rerun in the five test states using the new basis. Since the results were not significantly different from those originally presented, it was decided to submit the original conclusions, subject to certain caveats, as has been done here. For this purpose, a "significant" difference may be taken to be one that is greater than 10%. It should be clear from statements in this report that this is well within our range of confidence in the conclusions presented.

STATEMENT OF W. JAMES MACGINNITIE, REPRESENTATIVE OF MILLIMAN & ROBERTSON, INC.

My name is James MacGinnitie. I am an actuary by profession. I am a member of the American Academy of Actuaries, a Fellow of the Casualty Actuarial Society, and a Fellow of the Society of Actuaries. I am a consulting actuary with the firm of Milliman and Robertson, Inc.

BACKGROUND

One obstacle to legislative progress concerning no-fault insurance in the various states has been controversy over the cost implications of particular bills. Conflicting cost estimates have been offered by different special interest groups. Last fall the National Association of Insurance Commissioners decided to sponsor an independent and objective costing program, in an attempt to re-

move this obstacle. Thus, in October, 1972, Milliman & Robertson was retained by the NAIC to develop a computerized model that would be capable of evaluating the cost implications of a wide variety of different no-fault proposals. Financial support for the work has been provided by the Department of Transportation and the Ford Foundation.

Milliman & Robertson, Inc. was chosen because of its size, independence and professional qualifications. It is a Seattle-based firm with offices in fourteen cities staffed by more than forty fully qualified professional actuaries. The no-fault model has been the professional responsibility of Messrs. James R. Berquist, Frederick W. Kilbourne and myself. All three of us are members of the American Academy of Actuaries, which is the generally recognized certifying body for actuaries in the United States. All three of us are also Fellows of the Casualty Actuarial Society, which required us to pass a series of examinations over several years. Together we have nearly 40 years of experience in casualty actuarial practice.

The model has been programmed by the staff of Milliman & Robertson's computer services affiliate, M&R Services, Inc., and runs on the Boeing Computer Time Sharing Network. In a matter of seconds it can accomplish many man-days of work, and this has permitted the design of a model that operates at a level of considerable detail, taking into account a myriad of factors in developing cost evaluations. The model became operational on March 28, 1973, and we have continued to develop and improve it since that time. Thus far, we have submitted cost studies of no-fault proposals in the District of Columbia, and the states of Hawaii, Illinois, Louisiana, Minnesota, Tennessee and Washington.

When this assignment was given to us, the officers of the NAIC made plain to us that our sole responsibility was the evaluation of the cost implications of no-fault bills submitted to us by legislative and regulatory bodies. We were not to express any opinion as to the merits or demerits of any particular legislative proposal. In this area, the NAIC position was one of neutrality. Identification of the NAIC or of Milliman & Robertson with any particular proposal could jeopardize our objectivity and the acceptability of any studies we issued. It was explicitly agreed by all parties that we would be given complete professional freedom in expressing our views.

Consistent with its policy of having an objective, independent study, the NAIC has in no way attempted to influence the results of our study. The testimony which follows is based solely upon the results of Milliman & Robertson's efforts, and is directed solely to cost considerations, not to the merits of any particular bill nor to policy judgments thereon. The comments are ours, not those of the NAIC, whose role in the costing programs from the outset has been solely to sponsor the program in an effort to minimize the debate over cost figures as an impediment to progress.

However, Commissioner Van Hooser of Michigan, President of the NAIC, has asked me to submit a letter for the record summarizing the NAIC's position on federal no-fault legislation.

BRIEF DESCRIPTION OF THE MODEL

Our study of no-fault started with a thorough, critical evaluation of the previous work of other professional actuaries. These actuaries were very cooperative, providing us with complete explanations of their work. With the benefit of their experience, they were able to make many valuable suggestions for improvement in methodology and data sources. While we have drawn on some of the previous work of others, and are indebted to them for many of their suggestions, the model is our own professional work, for which we take full professional responsibility.

In basic terms, the model postulates a distribution of persons injured in automobile accidents. The cost of these injuries is then evaluated for the two insurance systems: tort and no-fault, and total costs are then compared.

The distribution of injuries recognizes such factors as vehicle type, severity of injury and number of vehicles involved. The cost of each injury recognizes the amounts being paid under the current tort system, the first party benefit provisions in the proposed no-fault legislation, and any residual tort rights under no-fault. The model also takes into account such factors as the eligibility for first party benefits of various vehicle types, the percentage of vehicles insured, the provisions of the assigned claims plan, the number of injuries in the state involving out-of-state vehicles, and the number of injuries occuring outside the state.

In addition to bodily injury liability coverage, the model also recognizes the presence of uninsured motorist and medical payments coverages under the current system, and makes assumptions about the extent to which they will be continued under the proposed system. Changes in loss adjustment expense levels are also taken into account.

This description covers the logic of the model; it must also have data to which the logic is applied. The principal data base has been the accident statistics developed by the state motor vehicle departments, and the closed claim survey conducted in 1969 as part of the Department of Transportation study of automobile insurance. This data has been analyzed on both a nationwide and state-by-state basis, and is specifically tailored to each state for which a cost evaluation is made. Other data sources, both insurance and non-insurance, have been utilized, as has a fair amount of considered professional judgments.

This professional judgment is an inescapable part of any cost evaluation of no-fault proposals. The model attempts to predict costs under a new and substantially changed system, and while we believe that we have been as independent and objective as possible in our judgments, they are judgments nevertheless. To improve our judgments, we have visited the states of Massachusetts, Delaware and Florida, each of which has had a no-fault law in effect for over one year. We have reviewed our model with numerous other casualty actuaries familiar with no-fault costing, employed by both insurance companies and insurance departments. But, in the last analysis, these are our own independent conclusions.

It should also be noted that the model does not project costs by class or territory, but rather works on a state-wide average basis.

The effect of a change to no-fault may vary considerably by class and territory, depending on benefit levels, tort limitations and amount of subrogation or loss shifting retained, for example.

As we have worked with the model, we have become increasingly aware of how sensitive it is to these judgment factors. The average values in death cases, for example, are based on relatively small samples of data and many important assumptions, and have a substantial impact on the overall system cost. Anyone who utilizes these findings should be aware of the importance of these judgment factors and of the variability they introduce into the results.

BILL ANALYSIS

Senate Bill 354 is a federal standards bill that incorporates many of the provisions of the Uniform Motor Vehicles Accident Reparation Act approved last year by the National Conference of Commissioners on Uniform State Laws. In our evaluation of S. 354, we have utilized the following major interpretations and assumptions.

1. Provision for rehabilitation benefits (Sec. 101(2)) will result in payment of allowable (medical) expense 5% greater than contemplated in the data base. Allowable expense is payable without limit.

2. There is a 15% maximum Federal income tax offset on work loss (Sec. 209(b)(2)) which is already contemplated in the data base.

3. Work loss and survivor's economic loss are limited to $1,000 per month, modified by the state per capita factor (Sec. 210(a)(1)). For today's testimony, we have prepared estimates for California, Kentucky, New Hampshire, Pennsylvania and Texas. For California, the $1,000 monthly limitation becomes $1,116; for Kentucky, $796; for New Hampshire, $913; for Pennsylvania, $1,000; and for Texas, $897.

4. Social security and workmen's compensation benefits are substracted in calculating new loss (Sec. 209(b)(1)). It is estimated that this will remove 7% of all medical expense claims (5% for workmen's compensation and 2% for social security), 5% of wage loss claims for workmen's compensation plus 15% of wage loss after the fifth month of disability for social security. State non-occupational disability plans are also primary, and in the case of California, it has been assumed that this will cover 35% of work loss for the first 6 months of disability.

5. Tort actions for general damages can generally be sustained only in the case of "death, significant permanent injury, serious permanent disfigurement, or more than 6 months of complete inability of the injured person to work in his occupation." (Sec. 206(a)(7)). This should permit all of the serious injuries contemplated in the data base to seek tort recovery. However, it has been assumed that only 75% of those who are entitled to seek tort recoveries will actually do so. General damages are subject to a $5,000 deductible (Sec. 206 (a)(7)), and it has been assumed that this will be effective to the extent of $4,000, giving some allowance for inflation in general damages to overcome the deductible.

6. Bodily injury liability limits have been assumed to effectively average $20,000 per person, under the current system, and $30,000 per person under the proposed no-fault system (Sec. 203 (a)(1)).

7. The ratio of vehicles insured should increase under no-fault; how much will depend on the efficacy of procedures and regulations adopted to enforce Sec. 102. The insured percentages assumed are shown by state and vehicle category in Exhibit II. Overall insured ratios for all vehicle categories were projected to increase as follows:

[In percent]

	Present	Proposed
California	83.4	91.7
Kentucky	68.2	84.6
New Hampshire	90.3	94.6
Pennsylvania	82.4	90.9
Texas	69.2	84.6

8. Costs for death cases should increase sharply because of the long term benefits payable to survivors under the base plan. The average values utilized for death claims at various levels of survivors benefit maximums are shown in Exhibit IV.

9. Although a state could exclude certain classes of vehicles from eligibility for no-fault, by appropirate adjustment of its motor vehicle registration laws, we have assumed that all classes of vehicles contemplated in the model, including motorcycles, are eligible. (Sec. 101 (13)).

10. There is no significant subrogation of first party benefits between vehicles (Sec. 109 (a)(4)).

11. Uninsured drivers and passengers have limited access to the assigned claims plan (Sec. 106). This has been assumed to be

equivalent to a recovery percentage of 30% for drivers, and 60% for passengers, in uninsured vehicles.

12. First party benefits are applicable to out-of-state accidents for drivers and passengers (Sec. 204 (a) (2)).

13. First party benefits are payable to out-of-state vehicle occupants involved in instate accidents in the same manner as they would be for in-state residents (Sec. 204 (a)(1)).

14. Non-occupants have relatively complete coverage, either from the adverse vehicle, if insured, their own insurance, or the assigned claims plan (Sec. 204 (a)(1), 204 (b)(2)).

15. Loss adjustment expenses will decrease under no-fault. The current tort system requires an additional 19% of BI claims for adjustment expense. The proposed system will require 11% for first party benefits other than deaths, 10% for deaths, including general damages, and 25% for general damages. The large figure for general damages is due to the tort nature and the severity of these cases.

16. Losses under medical payments coverage have been taken as the following percentage of current bodily injury liability losses for private passenger and non-occupants:

	Percent
California	19.0
Kentucky	11.8
New Hampshire	8.0
Pennsylvania	15.5
Texas	24.1

These percentages have been developed from recent industry data. Under no-fault, medical payments coverage is assumed to disappear.

ALTERNATIVES

We have been asked to evaluate several alternatives for each of the five states. These alternatives are briefly described below (the numbering system corresponds to that used in Senator Magnuson's request):

1. Work loss and survivors' economic loss are limited to $50,000, and replacement services are limited to $15 per day for 3 years.

2. Work loss is limited to $25,000, and replacement services loss is limited to $12 per day for one year. Survivors' loss is limited to:

A	$10,000
B	5,000
C	1,000
D	Zero

3. The same as Alternative #2C, where work loss is limited to $25,000, replacement services loss is limited to $12 per day for one year, and survivors' loss is limited to $1,000. The tort exemption is changed, however, to permit suits for non-economic detriment if medical expenses exceed $1,000.

(Alternatives 4 and 5 are different bases of comparison)

6. The same as Alternative #1, (where work loss and survivors' economic loss are limited to $50,000, and replacement services are limited to $15 per day for 3 years), but assuming that everyone in the state selects a deductible on economic loss of—

A	$50
B	100
C	250

7. The same as in Alternative #3 (where work loss is limited to $25,000, replacement services loss is limited to $12 per day for 3 years, survivors' loss is limited to $1,000, and tort recovery is permitted where medical expense exceeds $1,000), but also assuming that everyone in the state selects a deductible on economic loss of—

A	$50
B	100
C	250

8. The same as Alternative #1 (where work loss and survivors' economic loss are limited to $50,000, and replacement services are limited to $15 per day for 3 years), but also assuming that everyone in the state elects a one week waiting period for work loss and replacement services loss.

FINDINGS

Our basic analysis encompasses the following coverages under each system:

Tort:
Bodily injury.
Uninsured Motorist.
Medical payments.
Loss adjustment expenses.

No-fault:
First party no-fault.
Residual bodily injury.
Uninsured motorist.
Loss adjustment expense.

The results of this analysis are adjusted to reflect the increase in the proportion of vehicle insured. On this basis, we project S. 354, Alternative #1 ($50,000 of work loss and survivors' economic loss, 3 years of replacement services at $15 per day) would result in the following changes in loss and loss adjustment costs:

	Percent
California (decrease)	11
Kentucky (decrease)	1
New Hampshire (increased)	8
Pennsylvania (decreased)	8
Texas (decrease)	17

NOTE.—See Exhibit I footnote before using or releasing these numbers.

It is a reasonable assumption that insurance company expenses, other than loss adjustment expenses, will vary in direct proportion to loss costs, so that total premiums for these coverages should show about the same change as loss costs.

The number of injuries (other than deaths) receiving compensation for economic loss should increase substantially, as should the amount of economic loss compensated. For the 1st alternative, no-fault would result in the following increases:

[In percent]

	Number	Amount
California	88	81
Kentucky	98	110
New Hampshire	80	99
Pennsylvania	75	90
Texas	100	114

The attached Exhibits I detail our findings by state for Alternative No. 1, for an assumed 100,000 injuries. This radix of 100,000 is highly arbitrary, of course, and it also includes many "injuries" where only general damages have been paid under the tort system.

Exhibit II shows the changes for all the alternatives.

To improve the revelance of our figures, we have also adjusted them to show the impact on the average private passenger insured. This has required us to assume that the no-fault plans adopted by the various states will contain enough loss shifting to keep the relativities between vehicle classes the same as they now are, even though such loss shifting is prohibited by Sec. 109(a). In the absence of such loss shifting, it is likely that rates for commercial vehicles would decrease relative to those for private passenger vehicles, while those for private passenger vehicles would increase relatively. However, we have assumed that there will be a loss shifting mechanism, and hence that private passenger rates for the "people damage" portion of the premium will increase or decrease as the model projects the average to increase or decrease.

We have then added in the premium for property damage liability, comprehensive and collision, and have put our comparisons on that basis in Exhibit IIA. This has also required the assumption that the abolition of tort liability for property damage to automobiles will not change costs of the system, nor costs per insured vehicle, appreciably. The only effect of this change in method of presentation is to improve its utility for you.

In Exhibit IIA, full coverage under the tort system includes bodily injury and property damage liability, medical payments, comprehensive and collision insurance. Medium coverage includes bodily injury and property damage liability and medical payments, while minimum coverage drops off the medical payments. Under no-fault, full coverage includes the compulsory coverages (first party and residual tort), inverse liability automobile physical damage, comprehensive and collision. Medium and minimum coverage drops off the comprehensive and collision.

Exhibits V shows the distribution of injuries assumed, given the 100,000 injury radix.

EXHIBIT I—COMPARISON OF PRESENT VERSUS PROPOSED INSURANCE SYSTEMS

Benefit	Tort			No-fault		
	Number	Average	Amount	Number	Average	Amount
CALIFORNIA—PLAN 1						
Medical expenses	43,643	$445	$19,407,000	81,924	$484	$39,627,000
Wage loss	17,134	775	13,282,000	34,347	493	16,948,000
Loss of services	4,737	462	2,190,000	19,344	335	6,481,000
Total economic loss	44,506	784	34,879,000	83,740	753	63,056,000
Death costs	795	16,587	13,187,000	1,960	24,351	47,731,000
General damages	41,341	1,282	52,981,000	5,995	2,235	13,400,000
Total BI/PIP	48,576	2,080	101,047,000	85,700	1,449	124,187,000
Medical payments			18,085,000			0
Total including medical payments			119,132,000			124,187,000
Loss adjustment expense			22,635,000			15,060,000
Total including medical payments and loss adjustment expense			141,767,000			139,247,000
Overall insured ratios (percent)			(83.4)			(91.7)
Decrease in cost, per insured vehicle (percent)						(11)

Footnotes at end of table.

Benefit	Tor. Number	Tor. Average	Tor. Amount	No-fault Number	No-fault Average	No-fault Amount
KENTUCKY—PLAN I						
Medical expenses	39,751	412	$16,363,000	78,600	442	$34,764,000
Wage loss	15,513	707	10,964,000	33,801	609	20,587,000
Loss of services	4,310	425	1,832,000	18,835	315	5,941,000
Total economic loss	40,502	720	29,159,000	80,345	763	61,291,000
Death costs	1,255	15,040	18,883,000	2,911	21,581	62,823,000
General damages	37,759	1,194	45,066,000	5,833	2,028	11,833,000
Total BI/PIP	44,719	2,082	93,108,000	83,256	1,633	135,948,000
Medical payments			10,353,000			
Total including medical payments			103,461,000			135,948,000
Loss adjustment expense			19,657,000			15,982,000
Total including medical payments and loss adjustment expense			123,118,000			151,930,000
Overall insured ratios (percent)			(68.2)		(84.6	
Decrease in cost, per insured vehicle					[1] (1)	
NEW HAMPSHIRE—PLAN I						
Medical expenses	46,066	350	16,127,000	82,399	382	31,436,000
Wage loss	17,722	605	10,715,000	35,323	568	20,053,000
Loss of services	4,957	362	1,794,000	19,703	283	5,569,000
Total economic loss	46,928	610	28,636,000	84,237	677	57,057,000
Death costs	1,292	12,716	16,430,000	2,751	18,832	51,810,000
General damages	43,723	1,060	46,364,000	6,035	1,659	10,013,000
Total BI/PIP	51,663	1,770	91,430,000	86,988	1,367	118,880,000
Medical payments			6,903,000			
Total including medical payments			98,333,000			118,880,000
Loss adjustment expense			18,683,000			13,960,000
Total including medical payments and loss adjustment expense			117,016,000			132,840,000
Overall insured ratios (percent)			(90.3)		(94.6)	
Increase in cost, per insured vehicle (percent)			[1] (8)			
PENNSYLVANIA PLAN I						
Medical expenses	46,865	412	19,299,000	81,732	449	36,665,000
Wage loss	17,948	717	12,875,000	34,467	655	22,564,000
Loss of services	5,023	429	2,155,000	19,360	318	6,166,000
Total economic loss	47,751	719	34,330,000	83,546	783	65,395,000
Death costs	1,013	15,264	15,456,000	2,169	22,487	48,776,000
General damage	44,435	1,183	52,565,000	6,000	2,036	12,214,000
Total BI/PIP	52,285	1,958	102,351,000	85,715	1,474	126,386,000
Medical payments			14,944,000			0
Total including medical payments			117,295,000			126,386,000
Loss adjustment expense			22,286,000			15,125,000
Total including medical payments and loss adjustment expense			139,581,000			141,511,000
Overall insured ratios (percent)			(82.4)		(90.9)	
Decrease in cost, per insured vehicle (percent)					[1] (8)	
TEXAS—PLAN I						
Medical expenses	39,956	319	12,736,000	79,581	340	27,084,000
Wage loss	15,770	554	8,730,000	33,377	512	17,094,000
Loss of services	4,348	331	1,438,000	81,795	256	4,805,000
Total economic loss	40,749	562	22,904,000	81,339	602	48,983,000
Death costs	783	11,881	9,302,000	2,029	16,667	33,816,000
General damages	37,864	942	35,677,000	5,282	1,433	7,571,000
Total BI/PIP	44,527	1,525	67,883,000	83,368	1,084	90,370,000
Medical payments			15,335,000			0
Total including medical payments			83,218,000			90,370,000
Loss adjustment expense			15,811,000			10,663,000
Total including medical payments and loss adjustment expense			99,029,000			101,033,000
Overall insured ratios (percent)			(69.2)			(84.6)
Decrease in cost, per insured vehicle (percent)					[1] (17)	

[1] Neither this number nor the other numbers in this or the other exhibits should be used or released except in conjunction with a thorough reading and understanding of the attached statement, entitled "Caveats Pertaining to S. 354 Cost Estimates."

EXHIBIT II.—SUMMARY OF FINDINGS, BI LIABILITY, MEDICAL PAYMENTS ONLY

[In percent]

Alternative	Work loss, maximum	Services limit: Period, years	Services limit: Amount, per day	Surv's loss, maximum	Other	California	Kentucky	New Hampshire	Pennsylvania	Texas
1	$50,000	3	$15	$50,000		[1] −11	[1] −1	[1] +9	[1] −8	[1] −17
2A	25,000	1	12	10,000		−30	−26	−18	−27	−35
2B	25,000	1	12	5,000		−33	−29	−21	−30	−37
2C	25,000	1	12	1,000		−35	−33	−26	−33	−39
2D	25,000	1	12	None		−35	−34	−27	−34	−40
3	25,000	1	12	1,000	$1,000 med. threshold	−34	−31	−24	−31	−39
6A	50,000	3	15	50,000	$50 deduct.[2]	−13	−2	+5	−11	−20
6B	50,000	3	15	50,000	$100 deduct.[2]	−15	−5	+3	−13	−22
6C	50,000	3	15	50,000	$250 deduct.[2]	−19	−9	−3	−18	−22
7A	25,000	1	12	1,000	$50 deduct.,[2] $1,000 med. threshold	−35	−34	−28	−34	−47

Footnotes at end of table.

Alternative	Work loss, maximum	Services limit: Period, years	Services limit: Amount, per day	Surv's loss, maximum	Other	California	Kentucky	New Hampshire	Pennsylvania	Texas
7B	$25,000	1	12	$1,000	$100 deduct.,[2] $1,000 med. threshold	−37	−36	−29	−36	−44
7C	25,000	1	12	1,000	$250 deduct.,[2] $1,000 med. threshold	−41	−40	−35	−40	−49
8	50,000	3	15	50,000	1 wk. elim. period [3]	−13	−3	+5	−11	−20

[1] Refer to Exhibit I footnote.
[2] Deductible applies to all economic loss.
[3] Elimination period applies to work loss and replacement services only.

EXHIBIT IIA.—SUMMARY OF FINDINGS, PASSENGER CAR ONLY: TOTAL PREMIUM BASIS (INCLUDING PHYSICAL DAMAGE)

[In percent]

Alternative	Work loss, maximum	Services limit: Period, years	Services limit: Amount, per day	Surv's loss, maximum	Other	California	Kentucky	New Hampshire	Pennsylvania	Texas
1	$50,000	3	$15	$50,000		−5	[1] 0	[1] +3	[1] −3	[1] −5
2A	25,000	1	12	10,000		−13	−8	−7	−10	−10
2B	25,000	1	12	5,000		−14	−8	−8	−11	−10
2C	25,000	1	12	1,000		−15	−10	−10	−12	−11
2D	25,000	1	12	None		−15	−10	−10	−13	−11
3	25,000	1	12	1,000	$1,000 med. threshold	−13	−9	−9	−12	−11
4 medium	50,000	3	15	50,000		−8	−1	+6	−5	−10
4 min	50,000	3	15	50,000		+4	+6	+11	+4	+2
5 medium	25,000	1	12	1,000		−25	−20	−17	−22	−23
5 min	25,000	1	12	1,000		−15	−14	−13	−14	−9
6A	50,000	3	15	50,000	$ 50 deduct.[2]	−6	−1	+2	−4	−6
6B	50,000	3	15	50,000	$100 deduct.[2]	−6	−1	+1	−5	−6
6C	50,000	3	15	50,000	$250 deduct.[2]	−8	−3	−1	−7	−7
7A	25,000	1	12	1,000	$50 deduct.[2] $1,000 med. threshold	−15	−10	−11	−13	−12
7B	25,000	1	12	1,000	$100 deduct.[2] $1,000 med. threshold	−16	−10	−11	−14	−12
7C	25,000	1	12	1,000	$250 deduct.[2] $1,000 med. threshold	−18	−12	−13	−15	−14
8	50,000	3	15	50,000	1 wk. elim. period [3]	−6	−1	+2	−4	−6

[1] Refer to exhibit I footnote.
[2] Deductible applies to all economic loss.
[3] Elimination period applies to work loss and replacement services only.

EXHIBIT III

INSURED PERCENTAGES

	Present: BI	Present: UM	Proposed: BI/PIP	Proposed: UM
CALIFORNIA				
Private passenger	82	78	91	87
Nonoccupant	77	73	88	84
Commercial	92	88	96	92
Motorcycle	68	64	84	79
Other (public)	98	94	99	95
Out-of-State vehicle	80	----	80	----
KENTUCKY				
Private passenger	67	64	84	80
Nonoccupant	63	60	82	78
Commercial	75	72	88	84
Motorcycle	55	52	78	74
Other (public)	91	87	96	92
Out-of-State vehicle	70	----	70	----
NEW HAMPSHIRE				
Private passenger	89	85	94	90
Nonoccupant	84	80	92	87
Commercial	99	95	99	95
Motorcycle	73	69	86	81
Other (public)	99	95	99	95
Out-of-State vehicle	90	----	90	----
PENNSYLVANIA				
Private passenger	81	77	90	86
Nonoccupant	76	72	88	84
Commercial	91	87	96	92
Motorcycle	67	63	84	79
Other (public)	97	93	98	94
Out-of-State vehicle	80	----	80	----
TEXAS				
Private passenger	68	65	84	80
Nonoccupant	64	61	82	78
Commercial	76	73	88	84
Motorcycle	56	53	78	74
Other (public)	96	92	98	94
Out-of-State vehicle	70	----	70	----

EXHIBIT IV

AVERAGE VALUES FOR DEATH CLAIMS, $50,000 MAXIMUM

	Tort	Nofault: 1st party	Nofault: Residual Tort
California:			
Private passenger, driver	$22,081	$24,319	$12,000
Private passenger, passenger	15,786	19,817	12,000
Nonoccupant	10,618	14,279	7,200
Commercial	23,035	24,655	12,000
Motorcycle	15,786	18,385	12,000
Other (public)	15,786	18,169	10,800
Kentucky:			
Private passenger, driver	19,321	21,279	10,500
Private passenger, passenger	13,813	17,340	10,500
Nonoccupant	9,290	12,494	6,300
Commercial	20,156	21,573	10,500
Motorcycle	13,813	16,087	10,500
Other (public)	13,813	15,898	9,450
New Hampshire:			
Private passenger, driver	16,561	18,239	9,000
Private passenger, passenger	11,840	14,863	9,000
Nonoccupant	7,963	10,709	5,400
Commercial	17,276	18,491	9,000
Motorcycle	11,840	13,789	9,000
Other (public)	11,840	13,627	8,100
Pennsylvania:			
Private passenger, driver	20,241	22,293	11,000
Private passenger, passenger	14,471	18,165	11,000
Nonoccupant	9,733	13,089	6,600
Commercial	21,116	22,601	11,000
Motorcycle	14,471	16,853	11,000
Other (public)	14,471	16,655	9,900
Texas:			
Private passenger, driver	15,641	17,226	8,500
Private passenger, passenger	11,182	14,037	8,500
Nonoccupant	7,521	10,114	5,100
Commercial	16,317	17,464	8,500
Motorcycle	11,182	13,023	8,500
Other (public)	11,182	12,870	7,650

AVERAGE VALUES FOR DEATH CLAIMS, $10,000 MAXIMUM

California:			
Private passenger, driver	22,081	8,443	12,000
Private passenger, passenger	15,786	7,152	12,000
Non-occupant	10,618	5,480	7,200
Commercial	23,035	8,140	12,616
Motorcycle	15,786	6,407	12,000
Other (public)	15,786	6,517	10,800
Kentucky:			
Private passenger, driver	19,321	7,388	10,500
Private passenger, passenger	13,813	6,258	10,500
Non-occupant	9,290	4,795	6,300
Commercial	20,156	7,122	11,039
Motorcycle	13,813	5,606	10,500
Other (public)	13,813	5,703	9,450
New Hampshire:			
Private passenger, driver	16,561	6,332	9,000
Private passenger, passenger	11,840	5,364	9,000
Non-occupant	7,963	4,110	5,400
Commercial	17,276	6,105	9,462
Motorcycle	11,840	4,805	9,000
Other (public)	11,840	4,888	8,100
Pennsylvania:			
Private passenger, driver	20,241	7,740	11,000
Private passenger, passenger	14,471	6,556	11,000
Non-occupant	9,733	5,024	6,600
Commercial	21,116	7,461	11,564
Motorcycle	14,471	5,873	11,000
Other (public)	14,471	5,974	9,900
Texas:			
Private passenger, driver	15,641	5,981	8,500
Private passenger, passenger	11,182	5,066	8,500
Non-occupant	7,521	3,882	5,100
Commercial	16,317	5,766	8,936
Motorcycle	11,182	4,538	8,500
Other (public)	11,182	4,616	7,650

AVERAGE VALUES FOR DEATH CLAIMS, $5,000 MAXIMUM

California:			
Private passenger, driver	22,081	6,426	13,375
Private passenger, passenger	15,786	5,494	12,000
Nonoccupant	10,618	4,415	7,200
Commercial	23,035	5,122	15,634
Motorcycle	15,786	4,495	12,000
Other (public)	15,786	4,817	10,800
Kentucky:			
Private passenger, driver	19,321	5,623	11,703
Private passenger, passenger	13,813	4,807	10,500
Nonoccupant	9,290	3,863	6,300

	Tort	Nofault 1st party	Nofault Residual Tort
Commercial	20,156	4,481	13,679
Motorcycle	13,813	3,933	10,500
Other (public)	13,813	4,215	9,450
New Hampshire:			
Private passenger, driver	16,561	4,820	10,031
Private passenger, passenger	11,840	4,120	9,000
Nonoccupant	7,963	3,311	5,400
Commercial	17,276	3,841	11,725
Motorcycle	11,840	3,371	9,000
Other (public)	11,840	3,613	8,100
Pennsylvania:			
Private passenger, driver	20,241	5,890	12,261
Private passenger, passenger	14,471	5,036	11,000
Nonoccupant	9,733	4,047	6,600
Commercial	21,116	4,695	14,331
Motorcycle	14,471	4,121	11,000
Other (public)	14,471	4,415	9,900
Texas:			
Private passenger, driver	15,641	4,552	9,474
Private passenger, passenger	11,182	3,891	8,500
Nonoccupant	7,521	3,127	5,100
Commercial	16,317	3,628	11,074
Motorcycle	11,182	3,184	8,500
Other (public)	11,182	3,412	7,650

AVERAGE VALUES FOR DEATH CLAIMS, $1,000 MAXIMUM

	Tort	Nofault 1st party	Nofault Residual Tort
California:			
Private passenger, driver	22,081	3,109	16,692
Private passenger, passenger	15,786	3,008	12,000
Nonoccupant	10,618	2,641	7,200
Commercial	23,035	2,342	18,413
Motorcycle	15,786	2,330	12,000
Other (public)	15,786	2,624	10,882
Kentucky:			
Private passenger, driver	19,321	2,721	14,606
Private passenger, passenger	13,813	2,632	10,500
Nonoccupant	9,290	2,311	6,300
Commercial	20,156	2,050	16,111
Motorcycle	13,813	2,039	10,500
Other (public)	13,813	2,296	9,521
New Hampshire:			
Private passenger, driver	16,561	2,332	12,519
Private passenger, passenger	11,840	2,256	9,000
Nonoccupant	7,963	1,981	5,400
Commercial	17,276	1,757	13,810
Motorcycle	11,840	1,748	9,000
Other (public)	11,840	1,968	8,161
Pennsylvania:			
Private passenger, driver	20,241	2,850	15,301
Private passenger, passenger	14,471	2,758	11,000
Nonoccupant	9,733	2,421	6,600
Commercial	21,116	2,147	16,878
Motorcycle	14,471	2,136	11,000
Other (public)	14,471	2,406	9,975
Texas:			
Private passenger, driver	15,641	2,202	11,824
Private passenger, passenger	11,182	2,131	8,500
Nonoccupant	7,521	1,871	5,100
Commercial	17,317	1,659	13,042
Motorcycle	11,182	1,651	8,500
Other (public)	11,182	1,859	7,708

AVERAGE VALUES FOR DEATH CLAIMS, NO SURVIVOR'S BENEFITS

	Tort	Nofault 1st party	Nofault Residual Tort
California:			
Private passenger, driver	22,081	2,192	17,609
Private passenger, passenger	15,786	2,250	12,000
Non-occupant	10,618	2,090	7,200
Commercial	23,035	1,596	19,159
Motorcycle	15,786	1,710	12,000
Other (public)	15,786	1,976	11,530
Kentucky:			
Private passenger, driver	19,321	1,918	15,408
Private passenger, passenger	13,813	1,969	10,500
Non-occupant	9,290	1,829	6,300
Commercial	20,156	1,396	16,764
Motorcycle	13,813	1,496	10,500
Other (public)	13,813	1,729	10,088
New Hampshire:			
Private passenger, driver	16,561	1,644	13,207
Private passenger, passenger	11,840	1,688	9,000
Non-occupant	7,963	1,568	5,400
Commercial	17,276	1,197	14,369
Motorcycle	11,840	1,282	9,000
Other (public)	11,840	1,482	8,647
Pennsylvania:			
Private passenger, driver	20,241	2,010	16,141
Private passengor, passenger	14,471	2,062	11,000
Non-occupant	9,733	1,916	6,600
Commercial	21,116	1,463	17,563
Motorcycle	14,471	1,568	11,000
Other (public)	14,471	1,812	10,569
Texas:			
Private passenger, driver	15,641	1,553	12,473
Private passenger, passenger	11,182	1,594	8,500
Non-occupant	7,521	1,481	5,100
Commercial	16,317	1,130	13,571
Motorcycle	11,182	1,211	8,500
Other (public)	11,182	1,400	8,167

EXHIBIT V—PRIVATE OCCUPANT TABLES

[Radix=100,000]

	Fault Yes	Fault No	Fault Maybe	Total
CALIFORNIA				
Sec. 1—Not serious				
Single car:				
Driver	9,278.0	0	480.3	9,760.3
Passenger	5,039.0	0	265.3	5,305.2
Multiple car:				
Driver	9,200.7	20,207.1	3,269.7	32,697.5
Passenger	7,215.5	15,812.7	2,508.7	25,086.8
All accidents (single and multiple):				
Driver	18,498.7	20,207.1	3,758.1	42,063.8
Passenger	12,050.4	15,812.7	2,823.9	30,892.0
Sec. 2—Serious				
Single car:				
Driver	1,287.7	0	67.8	1,350.6
Passenger	69.5	0	36.8	736.3
Multiple car:				
Driver	682.6	1,495.8	242.0	2,420.4
Passenger	534.1	1,070.5	189.4	1,894.1
All accidents (single and multiple):				
Driver	1,970.3	1,495.8	309.8	3,705.9
Passenger	1,230.6	1,070.5	206.2	2,630.4
Sec. 3—Death				
Single car:				
Driver	374.0	0	19.7	393.7
Passenger	203.2	0	10.7	213.9
Multiple car:				
Driver	109.8	240.7	38.9	389.4
Passenger	85.9	180.3	30.5	304.7
All accidents (single and multiple):				
Driver	483.8	240.7	58.6	783.1
Passenger	289.1	180.3	41.2	518.6
Private occupant grand total				81,063.8
Nonoccupant injuries:				
Not serious	2,387.6	3,585.0	1,197.4	7,170.0
Serious	316.4	475.0	158.7	950.0
Death	132.7	190.3	6.6	398.6

	Not serious	Serious	Death	Total
Other injury categories:				
Commercial	6,097.8	677.5	210.1	6,985.4
Mortorcycle	2,392.3	490.0	69.8	2,952.0
Other, miscellaneous	451.6	23.8	4.8	480.1

KENTUCKY

Sec. 1—not serious

Single car:				
Driver	12,691.1	0	607.9	13,059.0
Passenger	6,893.9	0	362.8	7,256.7
Multiple car:				
Driver	7,977.9	17,483.6	2,829.1	28,290.6
Passenger	6,243.0	13,681.4	2,013.8	20,138.2

	Fault Yes	Fault No	Fault Maybe	Total
All accidents (singie plus multiple):				
Driver	20,609.0	17,483.6	3,497.0	41,649.6
Passenger	13,136.9	13,681.4	2,576.7	29,305.0
Sec. 2—Serious				
Single car:				
Driver	2,024.2	0	106.5	2,130.7
Passenger	1,090.6	0	57.9	1,057.4
Multiple car:				
Driver	761.8	1,609.6	270.2	2,701.5
Passenger	596.2	1,306.5	219.4	2,104.0
All accidents (single plus multiple):				
Driver	2,786.0	1,609.6	376.7	4,832.3
Passenger	1,695.7	1,306.5	269.3	3,271.5
Sec. 3—Death				
Single car:				
Driver	621.8	0	32.7	654.5
Passenger	307.8	0	17.8	350.5
Multiple car:				
Driver	181.3	397.4	64.3	643.0
Passenger	141.9	310.9	50.3	503.2
All accidents (single plus mulitple):				
Driver	803.1	397.4	97.0	1,297.5
Passenger	479.7	310.9	68.1	858.7
Private occupant grand total				81,304.5
Nonoccupant injuries:				
Not serious	1,720.9	2,585.5	863.6	5,171.0
Serious	238.2	342.6	104.0	685.2
Death	142.4	213.8	71.4	427.7

	Not serious	Serious	Death	Total
Other injury categories:				
Commerical	7,804.4	876.0	367.3	9,127.7
Motocycle	2,206.8	456.1	91.2	2,774.1
Other—miscellaneous	477.4	25.1	7.2	509.7

NEW HAMPSHIRE

Sec. 1—Not serious

Single car:				
Driver	10,723.6	0	617.0	12,340.7
Passenger	6,368.4	0	305.2	6,703.6
Multiple car:				
Driver	8,300.2	18,255.5	2,954.0	29,539.7
Passenger	6,518.6	14,285.5	2,310.6	23,105.7
Al accidents (single and multiple):				
Driver	20,053.8	18,250.5	3,571.0	41,800.4
Passenger	12,807.0	14,285.5	2,646.7	29,819.3
Sec. 2—Serious				
Single car:				
Driver	1,815.4	0	95.5	1,910.0
Passenger	986.2	0	51.9	1,038.1
Multiple car:				
Dirver	739.4	1,620.3	262.2	2,621.9
Passenger	578.6	1,267.9	205.2	2,051.7

EXHIBIT V—PRIVATE OCCUPANT TABLES

[Radix=100,000]

	Fault			
	Yes	No	Maybe	Total
NEW HAMPSHIRE—Continued				
Sec. 2—Serious—continued				
All accidents (single and multiple):				
Driver	2,544.8	1,620.3	357.7	4,532.9
Passenger	1,564.7	1,267.9	257.1	3,089.8
Sec. 3—Death				
Single car:				
Driver	501.6	0	29.0	580.6
Passenger	290.6	0	15.8	315.4
Multiple car:				
Driver	161.1	352.9	57.1	571.1
Passenger	126.0	276.2	40.7	406.9
All accidents (single and multiple):				
Driver	712.6	352.9	86.1	1,051.7
Passenger	425.6	276.2	60.5	762.3
Private occupant grand total				81,236.3
Nonoccupant injuries:				
Not serious	1,910.6	2,868.8	958.2	5,737.6
Serious	253.2	380.1	127.0	760.3
Death	139.7	209.7	70.8	419.4
	Not serious	Serious	Death	Total
Other injury categories:				
Commercial	7,378.0	819.8	322.8	8,520.5
Motorcycle	2,273.7	465.7	85.1	2,824.5
Other—Miscellaneous	470.1	24.7	6.5	501.3
PENNSYLVANIA				
Sec. 1—Not serious				
Single car:				
Driver	9,061.4	0	524.3	10,485.6
Passenger	5,410.1	0	284.8	5,695.9
Multiple car:				
Driver	8,971.9	19,601.8	3,181.5	31,815.2
Passenger	7,020.8	15,385.9	2,489.6	24,896.3
All accidents (single + multiple):				
Driver	18,930.2	19,601.8	3,705.8	42,300.8
Passenger	12,431.9	15,385.9	2,774.4	30,592.2
Sec. 2—Serious				
Single car:				
Driver	1,435.2	0	75.5	1,510.7
Passenger	779.6	0	41.0	820.6
Multiple car:				
Driver	698.4	1,530.6	247.7	2,476.7
Passenger	546.5	1,097.8	193.8	1,938.1
All accidents (single + multiple):				
Driver	2,133.6	1,530.6	323.2	3,987.4
Passenger	1,326.1	1,197.8	234.8	2,758.7
Sec. 3—Death				
Single car:				
Driver	423.6	0	20.3	405.9
Passenger	230.1	0	12.1	242.2
Multiple car	124.1	272.0	44.0	400.2
Passenger	97.1	212.9	34.4	340.5
All accidents (single + multiple):				
Driver	547.8	272.0	60.3	806.1
Passenger	327.3	212.9	46.6	586.7
Private occupant grand total				81,002.0

	Fault			
	Yes	No	Maybe	Total
Nonoccupant injuries:				
Not serious	2,054.3	3,084.9	1,030.5	6,709.7
Serious	298.7	408.5	149.8	897.0
Death	134.7	202.2	67.5	404.0
	Not serious	Serious	Death	Total
Other injury categories:				
Commercial	6,450.5	717.3	241.6	7,414.4
Motorcycle	2,359.1	483.2	74.1	2,916.4
Other—miscellaneous	456.8	24.0	5.2	486.0
TEXAS				
Sec. 1—Not serious				
Single car:				
Driver	9,706.9	0	510.9	10,217.8
Passenger	5,272.9	0	270.5	5,000.4
Multiple car:				
Driver	9,064.5	19,864.8	3,214.4	32,143.7
Passenger	7,093.3	15,040.8	2,515.3	25,153.4
All accidents (single and multiple):				
Driver	18,701.4	19,864.8	3,725.2	42,361.5
Passenger	12,360.2	15,040.8	2,792.9	30,703.8
Sec. 2—Serious				
Single car:				
Driver	1,380.3	0	72.6	1,452.9
Passenger	749.8	0	39.5	789.2
Multiple car:				
Driver	692.5	1,517.7	245.6	2,450.8
Passenger	541.9	1,087.6	192.2	1,921.7
All accidents (single and multiple):				
Driver	2,072.8	1,517.7	318.2	3,908.7
Passenger	1,291.7	1,087.6	231.6	2,710.9
Sec. 3—Death				
Single car:				
Driver	405.2	0	21.3	426.5
Passenger	200.1	0	10.6	231.7
Multiple car:				
Driver	108.8	260.4	42.1	421.3
Passenger	93.0	203.7	30.0	329.7
All accidents (single and multiple):				
Driver	524.0	260.4	63.5	847.8
Passenger	313.1	203.7	40.6	561.3
Private occupant grand total				81,094.0
Nonoccupant injuries:				
Not serious	2,300.9	3,459.4	1,050.4	6,918.8
Serious	305.3	458.4	153.1	916.8
Death	134.0	201.1	67.2	402.3
	Not serious	Serious	Death	Total
Other injury categories:				
Commercial	6,320.3	702.5	229.9	7,254.7
Motorcycle	2,371.5	485.7	72.5	2,929.6
Other—Miscellaneous	454.8	23.9	5.1	483.8

CAVEATS PERTAINING TO S. 354 COST ESTIMATES

The attached statement and exhibits present findings resulting from the application of actuarial judgment and statistics to a computerized model developed for the specific purpose of estimating the cost of proposed no-fault automobile insurance legislation. We believe that judgment and those statistics to have been the very best available, and the model to be the most powerful tool yet developed for its purpose. We know that the results reflect actuarial work that is completely professional and entirely indepedent of any outside interference or involvement whatsoever. Accordingly, subject only to the caveats below, we release and stand behind our attached statement and findings dated May 21, 1973.

Although our attached conclusions as to the likely cost implications of enactment of S. 354 are probably the best estimates available, it must be recognized that they are nonetheless subject to a rather high degree of variability, as well as being very susceptible to misinterpretation. We thus feel compelled to specify that those conclusions not be used nor released except in conjunction with the following caveats:

(1) Our conclusions apply only to the "people damage" portion of the average automobile insurance premium, except in Exhibit IIA which includes as well the dampening effect of the more-costly "automobile damage" portion. They do not deal with the expected changes in rating classification and territorial relativities, which well may be profound. The numbers in our report will be misleading to the individual insured motorist unless he is aware of these facts.

(2) S. 354 is a powerful piece of consumer legislation that would, if effective, force insurance carriers to deal more liberally with their policyholders and claimants. Provisions accomplishing this feat are particularly difficult to price, however, and their cost implications are generally beyond the capabilities of our model and thus are not reflected in our premium change conclusions. The important thing to recognize is that increased or accelerated payments by the carriers sooner or later must result in corresponding premium increases.

(3) S. 354 would provide federal standards for state enactment of no-fault automobile insurance legislation. Our conclusions in general show that premium decreases could be expected from enactment of these standards. It should be noted that these conclusions result largely from a substantial abolition of tort liability coupled with significant no-fault benefit limitations, however, and not in the slightest from anything inherent in federal no-fault legislation that saves more money than corresponding or other cost-conscious state legislation.

(4) S. 354 provides first-party benefits that would in some cases be very extensive. Our costing methodology and the underlying data base are weakest in the large loss area. Accordingly, our conclusions are drawn and submitted in the understanding that there may be a significant, and perhaps even misleading, degree of variability in those numbers that depend in part on future large loss costs. On the other hand, of course, actuarial uncertainty is not the only factor to consider when designing insurance benefits.

(5) Our model and its output attempt only to predict the cost implications of passage of a particular piece of no-fault legislation, and not the implications of various other influences on automobile insurance premiums. Such influences are many, and include

changes in automobile safety features, enforcement of driver standards, and general economic conditions, to name a few. The insured motorist will, therefore, be misled if our attached conclusions are used or released as being percentages that can reliably be applied to this year's automobile insurance premium for purposes of next year's budget.

RETIREMENT OF DR. FRANK STANTON

Mr. MAGNUSON. Mr. President, last month Dr. Frank Stanton retired as vice chairman of the board of CBS. He had been with that organization for 38 years, and those years were filled with courage and innovation. Nearly everyone who has heard the word "broadcaster" knows Frank Stanton's name and reputation, but I find particularly moving the tribute Eric Sevareid paid his boss. On April 2, Mr. Sevareid had the opportunity to say many things which Frank Stanton did not let him say earlier; not because of false modesty but because of the sincerity of his wish for a free and vital electronic press, unencumbered by rulers of any kind. And today perhaps the highest praise we can give him is expressed in the words of a thoughtful, intelligent, and free journalist, who is heard and trusted even as all our institutions, including the fourth estate suffer a time of doubt and distrust.

I ask unanimous consent that Mr. Sevareid's remarks on that occasion be printed in the RECORD.

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

CBS EVENING NEWS WITH WALTER CRONKITE—EXCERPT

CRONKITE. Dr. Frank Stanton has retired as Vice-Chairman of the Board of CBS, and Eric Sevareid has some thoughts about the occasion.

SEVAREID. This is the first Monday in about twenty-eight years that this broadcasting network has opened for business with a different man at the organizational and intellectual controls. Dr. Frank Stanton wrote the retirement rule a long time ago, so he obeyed it last Friday when his own calendar came around. He discouraged all company presentations, farewell luncheons, or even clusterings of friends. He did that with the same discreet firmness with which he had turned down things like Cabinet posts under past presidents. He would discourage this short utterance too, if he had anything to say about it.

From the bear pit of the news departments to the thirty-fifth floor where the chief corporate operating officer sits is a ninety-degree angle. But when the news people got themselves in trouble or somebody tried to get them in trouble, it was an easy horizontal walk. Stanton was always the backstop and—in a crisis—the front line.

Sometimes you didn't even know who had silenced an enemy's guns 'til the fight was long over. Once, in the hysterical Joe McCarthy days, a powerful senatorial committee chairman proposed a deal to Stanton: he would leave CBS alone, provided it got rid of two people—Ed Murrow and that fellow Sevareid. Stanton not only didn't accept it; he didn't even mention it to Murrow or me.

When electronic journalism—the only truly new form of journalism in generations—got started, a great many station and a good many network executives found themselves, to their distress, co-trustees of the First Amendment. Nothing has given them more headaches. Dr. Stanton never questioned the role—and, over the years, the news operations became the soul and the identifying insignia of the different networks. The leaves and the branches are still whipped by the wind, but the roots are down.

Stanton became the spokesman for the whole broadcasting industry by unspoken consent, because he has that quality the old Romans called "gravitas"—patience, solidity, weight of judgment. He even acquired a little eloquence along the way, probably because he was always a teacher at heart.

He was thirty-eight years with CBS. He spent his last day on the job flying down to Florida for the funeral of the retired president of NBC.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

The Senate continued with the consideration of the bill (S. 1888) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

AMENDMENT NO. 199

Mr. HELMS. Mr. President, I call up my amendment No. 199 and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 35, strike out lines 16 through 25.

On page 36, strike out lines 1 and 2, and insert in lieu thereof the following: "Notwithstanding any other provision of law, the President may enter into a sales agreement under title I of this Act with a country with which he could not otherwise conclude a sales agreement if interest is charged at a rate which will, as nearly as practicable, be equivalent to the average cost of funds to the United States Treasury, as determined by the Secretary of the Treasury, on outstanding marketable obligations of the United States having maturities comparable to maturities of credits extended under this section. In carrying out the provisions of this section, all sales shall be for dollars.".

Mr. HELMS. Mr. President, this amendment is designed to protect the U.S. consumer and taxpayer against the types of abuses which resulted from last year's Government-subsidized sale of wheat to the Soviet Union. The U.S. Government contributed millions of the taxpayers' dollars in export subsidies to the Soviet wheat deal. The sale also resulted in inflation in the price of bread and related items, to the detriment of the consumer.

The farm bill proposes the extension of Public Law 480, the food for peace program. The Soviet wheat deal was not consummated under authority of Public Law 480, but changes in Public Law 480 as reported by the Agriculture and Forestry Committee, open the door to the same type of sales to underdeveloped Communist countries.

The committee, in proposing the extension of Public Law 480, acted quite properly to cure an anomalous situation in the law which currently allows the donation of food under title II to some Communist countries to which the United States could not sell food under title I. The committee amended Public Law 480 to allow sales under title I to any country which can receive donations under title II.

I agree with the committee that we should not be able to give food to Communist countries under authority of Public Law 480 and not be able to sell it to the same countries under the program. However, title I of Public Law 480 allows sales under long-term credit arrangements with interest rates as low as 2 percent. My amendment would allow sales to these countries, but at an interest rate equivalent to that being paid by the U.S. Government on money it borrowed at the time of the sales agreement. The amendment simply substitutes language to this effect for the committee's amendment to Public Law 480.

There has recently been an outcry in Congress and among the public against the Government subsidy involved in the Soviet wheat sale. Many of our national leaders resent the use of the taxpayers' money for such a subsidy when we have so many unmet needs at home.

I agree with them. I believe Congress should assert its prerogative to prevent this and future administrations from subsidizing sales to Communist countries. The adoption of my amendment would be an assertion of that prerogative and would prevent any such subsidized sale under authority of Public Law 480.

Mr. CURTIS. Mr. President, if the Senator would yield, I commend the Senator in offering this amendment. He offered the amendment in the committee. I supported it then and I expect to support it now.

We are faced with a situation where grain, food, and other commodities can be given to certain Communist countries but cannot be sold under Public Law 480. For that reason, among others, the committee bill does extend Public Law 480 to Communist countries.

What the amendment of the distinguished Senator would do is say that these sales have to be at the same rate of interest that the Government has to pay. I think in the light of many of our domestic programs such as REA and other matters, the amendment merits support, and I expect to vote for it.

Mr. HELMS. I thank the distinguished Senator.

I ask unanimous consent that the names of the following Senators be added as cosponsors of this amendment: Mr. HANSEN, Mr. BARTLETT, Mr. THURMOND, and Mr. FANNIN.

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

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. HELMS. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I applaud the amendment offered by the distinguished Senator from North Carolina. It seems to me that this is the least Congress can do on behalf of the taxpayers. I see no reason in the world why the wage earners of this country, through their tax funds, should be subsidizing deals made with Communist countries.

I am tired of our Government borrowing money at 7 percent interest and loaning it to foreign countries for 2 percent.

The Senator from North Carolina mentioned the 2 percent grain deal with Russia. That 2 percent compares with

7 percent that the Federal Government is now paying in interest when it borrows money to operate the Government.

I think this is a desirable amendment. I hope it will be adopted, and I commend the able and distinguished Senator from North Carolina for presenting it today.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield myself such time as I may require.

Mr. President, this amendment would require interest rates to some countries under Public Law 480 dollar credit sales to be higher than for others.

Public Law 480 has had a long history. It began in 1954 with sales for foreign currencies only.

In 1965 the thrust of Public Law 480 sales was changed to require that by December 31, 1971 such sales be on a dollar or convertible currency basis. This has been accomplished and now all sales are made on a dollar credit, long-term basis.

Since these sales are still intended to be concessional, a low interest rate is charged.

Any change in this rate or other terms would defeat the purposes of Public Law 480.

It would cause hard feelings between those countries which must pay higher rates and the United States.

This is at a time when we are trying to improve our relations with all other nations throughout the world.

The committee felt that it was better to sell commodities than to give them away. That is why the committee permitted sales to these countries. If we make the sales provisions too hard, we may end up giving the commodities.

This amendment does not relate to the sale to the Soviet Union. That was made through commercial channels on a commercial basis. I hope that all countries that can afford to pay those terms will deal on that basis, and that Public Law 480 will be used only when it is necessary because they cannot afford to make these purchases on that basis.

We have accumulated billions of dollars of soft currency over a period of years that are wholly unconvertible and unusable. Now these sales are being made in dollars.

Therefore, Mr. President, I must oppose the amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I yield myself such time as I may require.

Mr. President, the Senator from Georgia knows there is no Member of this body I respect more than he. On the other hand, I believe it is time this country recognized its fiscal plight.

As one example, consider the carrying charges on the national debt already accumulated for this generation. Simple arithmetic discloses that it costs the taxpayers of America $40,000 a minute simply to pay the interest alone on money spent in excess of receipts by the Federal Government. Mr. President, this must stop. There is no earthly reason satisfactory to me why we should subsidize other countries, and particularly Communist countries, with a 2-percent interest rate, when the taxpayers of this country are being required to pay 7 percent, roughly, for the money which the Government borrows in their name.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. HELMS. Yes, Mr. President.

The PRESIDING OFFICER (Mr. SAXBE). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from North Carolina (Mr. HELMS). 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 Arkansas (Mr. FULBRIGHT) and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is 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 Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from New Mexico (Mr. DOMENICI) is absent to attend the funeral of a friend.

The Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "yea."

On this vote, the Senator from Nebraska (Mr. HRUSKA) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Ohio would vote "nay."

The vote was announced—yeas 39, nays 52, as follows:

[No. 181 Leg.]

YEAS—39

Allen	Dole	McClure
Bartlett	Dominick	Montoya
Bennett	Ervin	Pastore
Bentsen	Fannin	Randolph
Bible	Fong	Roth
Biden	Goldwater	Schweiker
Brock	Gravel	Scott, Pa.
Buckley	Gurney	Scott, Va.
Byrd, Harry F., Jr.	Hansen	Sparkman
Byrd, Robert C.	Hartke	Stevens
Cannon	Helms	Thurmond
Chiles	Hollings	Tower
Curtis	Inouye	
	McClellan	

NAYS—52

Abourezk	Case	Haskell
Aiken	Church	Hatfield
Baker	Clark	Hathaway
Bayh	Cook	Huddleston
Beall	Cranston	Humphrey
Bellmon	Eagleton	Jackson
Brooke	Eastland	Javits
Burdick	Hart	Johnston
Kennedy	Moss	Stafford
Long	Nelson	Stevenson
Magnuson	Nunn	Symington
Mansfield	Packwood	Talmadge
Mathias	Pearson	Tunney
McGee	Pell	Weicker
McGovern	Percy	Williams
McIntyre	Proxmire	Young
Metcalf	Ribicoff	
Mondale	Saxbe	

NOT VOTING—9

Cotton	Griffin	Muskie
Domenici	Hruska	Stennis
Fulbright	Hughes	Taft

So Mr. HELMS's amendment (No. 199) was rejected.

AMENDMENT NO. 202

Mr. MOSS. Mr. President, I call up my amendment No. 202 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MOSS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and I should like to explain it.

The PRESIDING OFFICER. Without objection, further reading of the amendment will be dispensed with, and the amendment will be printed in the RECORD.

The text of the amendment is as follows:

On page 51, line 16, strike out the words "This Act" and in lieu thereof insert the following: "Section 1 of this Act".

At the end of the bill add a new section as follows:

"SEC. 3. (1) This section may be cited as the 'Food Labeling Act of 1973'.

"(2)(A) The Fair Packaging and Labeling Act (15 U.S.C. 1451–1461) is amended as follows—

"(i) by inserting 'TITLE I—FAIR PACKAGING AND LABELING' immediately above the heading of section 2;

"(ii) by redesignating sections 2 through 5 as sections 101 through 104, respectively;

"(iii) by striking out 'section 3' in section 103(a) (as designated by clause (ii) of this section) and inserting in lieu thereof 'section 102';

"(iv) by striking out 'section 3' in section 103(b) (as redesignated by clause (ii) of this section) and inserting in lieu thereof 'section 103';

"(v) by striking out 'section 4' and 'section 2' in section 104(b) (as redesignated by clause (ii) of this section) and inserting in lieu thereof 'section 103' and 'section 101', respectively;

"(vi) by striking out 'section 4' in section 104(c) (as redesignated by clause (ii) of this section) and inserting in lieu thereof 'section 103'; and

"(vii) by adding immediately after section 104 (as redesignated by clause (ii) of this section) the following new titles:

"'TITLE II—LABELING OF FOOD PRODUCTS TO DISCLOSE INGREDIENTS

"'UNLAWFUL ACTIVITIES

"'SEC. 201. (a) It shall be unlawful for any person engaged in the packaging or labeling of any food product for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled food product, to distribute or to cause to be distributed in commerce any such product if it is contained in a package, or if there is affixed to that product a label which does not conform to the provisions of this title and regulations promulgated under the authority of this title.

"'(b) The prohibition contained in subsection (a) shall not apply to persons engaged in business as wholesale or retail food distributors except to the extent that such persons (1) are engaged in the packaging or labeling of such food, or (2) prescribe or specify by any means the manner in which such food is packaged or labeled.

"'INGREDIENTS LABELING PROGRAM

"'SEC. 202. No person subject to the prohibition contained in section 301 shall distribute or cause to be distributed in commerce any packaged or labeled food product except in accordance with regulations which shall be prescribed by the Secretary of Commerce pursuant to this title. Such regulations shall require that any food product distributed in interstate commerce bear a label containing a statement specifying all the ingredients contained in such food products in the order of their predominance, that the label on such product appear in a uniform location on the package and that such label—

"'(1) appear in conspicuous and easily legible type in distinct contrast (by typography, layout, color, embossing, or molding) with other matters on the package;

"'(2) contain letters or numerals in type size which shall be (A) established in relationship to the area of the principal display found on the package, and (B) uniform for all packages of substantially the same size; and

"'(3) be placed so that the lines of printed matter included in that statement are generally parallel to the base on which the package rests as it is designed to be displayed.

"'TITLE III—NUTRITIONAL LABELING OF FOOD PRODUCTS

"'DEFINITIONS

"'SEC. 301. For the purpose of this title—

"'(1) The term "nutritional value" means the amount of nutrients contained in the food expressed in terms of the relationship of the amount of each nutrient contained in such food to the total recommended daily requirement of each such nutrient required to maintain a balanced diet as determined by the Secretary of Health, Education, and Welfare.

"'(2) The term "nutrient" includes protein, vitamin A, B vitamins (thiamin, riboflavin, niacin), vitamin C, vitamin D, carbohydrate, fat, calories, calcium, iron, and such other nutrients as may be prescribed by regulation.

"'UNLAWFUL ACTIVITIES

"'SEC. 302. (a) It shall be unlawful for any person engaged in the packaging or labeling of any food product for distribution in commerce or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled food product, to distribute or to cause to be distributed in commerce any such product if it is contained in a package, or if there is affixed to that product a label which does not conform to the provisions of this title and regulations promulgated under the authority of this title.

"'(b) The prohibition contained in subsection (a) shall not apply to persons engaged in business as wholesale or retail food distributors except to the extent that such persons (1) are engaged in the packaging or labeling of such food, or (2) prescribe or specify by any means the manner in which such food is packaged or labeled.

"'LABELING REQUIREMENTS

"'SEC. 303. (a) No person subject to the prohibition contained in section 302 shall distribute or cause to be distributed in commerce any packaged or labeled food product except in accordance with regulations which shall be prescribed by the Secretary of Commerce pursuant to this title. Such regulations shall require that any food product distributed in interstate commerce bear a label containing a statement specifying the nutritional value of the food product contained therein, that the label on such commodity appear in a uniform location on the package, and that such label—

"'(1) appear in conspicuous and easily legible type in distinct contrast (by typography, layout, color, embossing, or molding) with other matters on the package;

"'(2) contain letters or numerals in type size which shall be (A) established in relationship to the area of the principal display found on the package, and (B) uniform for all packages of substantially the same size;

"'(3) be placed so that the lines of printed matter included in that statement are generally parallel to the base on which the package rests as it is designed to be displayed; and

"'(4) bear a statement of the nutritional value of each serving if the label appears on a packaged food product which bears a representation as to the number of servings of the food product contained in the package.

"'(b) The Secretary may by regulations require additional or supplementary words or phrases to be used in conjunction with the statement of nutritional value appearing on the the label whenever he determines that such regulations are necessary to prevent the deception of consumers or to facilitate value comparisons as to any food product. Nothing in this subsection shall prohibit supplemental statements, which are not misleading or deceptive, at other places on the package, describing the nutritional value of the food product contained in such package.

"'TITLE IV—LABELING REQUIREMENTS FOR PERISHABLE AND SEMIPERISHABLE FOODS

"'DEFINITIONS

"'SEC. 401. For purposes of this title—

"'(1) The term "food" has the meaning prescribed for that term by section 201 of the Federal Food, Drug, and Cosmetic Act, except that such term does not include any fresh fruit or vegetable.

"'(2) The term "perishable or semiperishable food" means any food which the Secretary determines has a high risk of any of the following as it ages:

"'(A) spoilage;

"'(B) significant loss of nutritional value; or

"'(C) significant loss of palatability.

"'(3) The term "expiration date" means the last date on which a perishable or semiperishable food can be consumed without a high risk of spoilage or significant loss of nutritional value or palatability.

"'LABELING REQUIREMENTS FOR PERISHABLE AND SEMIPERISHABLE FOODS

"'SEC. 402. (a) No person who manufactures or packages a perishable or semiperishable food in the form in which it is sold by retail distributors to consumers may distribute (or cause to be distributed) in commerce for purposes of sale a perishable or semiperishable food packaged by him in such form unless he has, in accordance with the requirements of subsection (f), labeled such packages to show (1) the expiration date of such food, and (2) the optimum temperature and humidity conditions for its storage by the ultimate consumer.

"'(b) No person engaged in business as a retail distributor of any packaged perishable or semiperishable food subject to the provisions of subsection (a) may sell, offer to sell, or display for sale such food unless the food's package is labeled in accordance with this title.

"'(c) No person engaged in business as a retail distributor of any packaged perishable or semiperishable food may sell, offer to sell, or display for sale any such food whose expiration date, as specified on its package's label, has expired.

"'(d) No person engaged in the business of manufacturing, processing, packing, or distributing perishable or semiperishable foods may place packages of such foods, labeled in accordance with subsection (a), in shipping containers or wrappings unless such containers or wrappings are labeled by him, in accordance with regulations of the Secretary, to show the expiration date on the labels of such packages.

"'(e) No person may change, alter, or remove, before the sale of a packaged perishable or semiperishable food to the ultimate consumer, any expiration date required by this section to be placed on the label of such food's package or shipping container or wrapping.

"'(f)(1) The expiration date and the storage instructions required to be on the label of a packaged perishable or semiperishable food under subsection (a) shall be determined in the manner prescribed by regulations of the Secretary.

"'(2) An expiration date shall, in accordance with regulations of the Secretary—

"'(A) be (i) in the case of the month contained in the expiration date, expressed in the commonly used letter abbreviations for such month, and (ii) otherwise expressed in such combination of letters and numbers as will enable the consumer to readily identify (without reference to special decoding information) the day, month, or year, as the case may be, comprising the expiration date; and

"'(B) be separately and conspicuously stated in a uniform location upon the principal display panel of the label required under subsection (a).

"'(3)(A) Any regulation under paragraph (1) prescribing the manner in which expiration dates for a packaged perishable or semiperishable food shall be determined may include provisions—

"'(i) prescribing the time periods to be used in determining the expiration dates for such food,

"'(ii) prescribing the data concerning such food (and the conditions affecting it before and after its sale to the consumer) to be used in determining its expiration dates, or

"'(iii) permitting a person engaged in the business of manufacturing, processing, packaging, or distributing such food to determine its expiration dates using such time periods and data as such person considers appropriate.

"'(B) If such regulation includes provisions described in subparagraph (A)(iii) of this paragraph, such regulation shall also contain—

"'(i) such provisions as may be necessary to provide uniformity, where appropriate, in the time periods used in expiration date determinations; and

"'(ii) provisions for regular review by the Secretary of the expiration date determinations and the time periods and data upon which they are based.

"'PENALTIES AND INJUNCTIONS

"'SEC. 403. (a) Any person who knowingly or willfully violates any provision of section 402, or any regulation made thereunder, shall be imprisoned for not more than one year or fined not more than $5,000, or both; except that if any person commits such a violation after a conviction of him under this subsection has become final, or commits such a violation with the intent to defraud or mislead, such person shall be imprisoned for not more than three years or fined not more than $25,000, or both.

"'(b) Any packaged perishable or semiperishable food that is distributed in violation of section 402 or any regulation made

thereunder shall be liable to be proceeded against at any time on libel of information and condemned in any district court of the United States within the jurisdiction of which such packaged food is found. Section 504 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334, (relating to seizures) shall apply with respect to proceedings brought under this subsection and to the disposition of packaged foods subject to such proceedings.

"'(c)(1) The United States district courts shall have jurisdiction, for cause shown, to restrain violations of section 402 and regulations made thereunder.

"'(2) In any proceeding for criminal contempt for violation of an injunction or restraining order issued under this subsection, which violation also constitutes a violation of section 402 or a regulation made thereunder, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

"'(d)(1) Actions under subsection (a) or (c) of this section may be brought in the district wherein any act or transaction constituting the violation occurred, or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

"'(2) In any actions brought under subsection (a) or (c) of this section, subpenas for witnesses who are required to attend a United States district court may run into any other district.'

"(3)(A) The Fair Packaging and Labeling Act is further amended by inserting 'TITLE V—GENERAL PROVISIONS' above the heading for section 6, and by redesignating sections 6 through 13 as sections 501 through 508, respectively.

"(B) Section 501(a) of such Act (as redesignated by subsection (3)(A) of this section) is amended by striking out 'section 4 or section 5 of this Act' in subsections (a) and (b) and inserting in lieu thereof 'sections 103, 104, 202, 303, or 402 of this Act'.

"(C) Section 502(a) of such Act (as redesignated by subsection (3)(A) of this section) is amended by striking out 'section 3 of this Act,' and inserting in lieu thereof 'sections 102, 201, or 302 of this Act. The provisions of this subsection shall not apply with respect to title IV.'

"(D) Section 502(c) of such Act (as redesignated by subsection (3)(A) of this section) is amended by striking out 'sections 4 and 5' and inserting in lieu thereof 'sections 103, 104, 202, 303, or 402'.

"(E) Section 503 of such Act (as redesignated by subsection (3)(A) of this section) is amended by striking out 'section 5(d)' and inserting in lieu thereof 'section 104(d)'.

"(F) Section 505 of such Act (as redesignated by subsection (3)(A) of this section) is amended by adding at the end thereof the following:

"'(g) The terms "food" and "food product" mean any article used for food or drink for man or other animals, and any article used as a component of such article.'

"(G) Section 507 of such Act (as redesignated by subsection (3)(A) of this section) is amended to read as follows:

"'SEC. 507. It is the express intent of Congress to supersede any and all laws of the States or political subdivisions thereof insofar as they may provide for (1) the labeling of the net quantity of contents of the package of any consumer commodity as provided in title I of this Act; (2) the labeling of the ingredients contained in food products as provided in title II of this Act, (3) the labeling of the nutritional value of food products as provided in title III of this Act; (4) the labeling of perishable and semiperishable foods as provided in title IV of this Act, which are less stringent than or require information different from the requirements of the appropriate title or regulations promulgated pursuant to such title.'

"(H) Section 508 of such Act (as redesignated by subsection (3)(A) of this section) is amended by striking 'This' and inserting in lieu thereof '(a) Except as provided in subsection (b), this'; and by adding at the end thereof a new subsection as follows:

"'(b) The provisions of titles II, III, and IV shall become effective twelve months after the date of enactment of such title.'"

Mr. MOSS. Mr. President, I ask unanimous consent that the Senator from Indiana (Mr. HARTKE) and the Senator from Delaware (Mr. BIDEN) be added as cosponsors of this amendment.

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

Mr. MOSS. Mr. President, I ask unanimous consent that Carl Braithwait and Edwin Merliss of the committee staff and my staff be granted the privilege of the floor on this and other amendments that I may call up.

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

Mr. MOSS. Mr. President, the amendment I offer is one that I think is worthy of the fine work the Committee on Agriculture and Forestry has done in developing S. 1888.

The bill before the Senate is called the Agriculture and Consumer Protection Act of 1973. While S. 1888 is designed to provide adequate supplies of products on the market and to encourage fair prices, it offers additional assistance which can be provided to the American consumer to help in making decisions in the marketplace. The amendment which I offer would place no burden at all upon the farmer. Rather the amendment would go to the middleman between the retailer and the laboring farmer. The amendment is designed to enable the consumer to have all pertinent information at his disposal when he shops at the supermarket or the corner grocery store.

We live in an age in which people are demanding to know more about their environment, yet we know so little of the food we eat. We are ignorant of its quality, of its nutritional value, of its ingredients, and of its freshness. These are crucial facts, yet they remain hidden from most consumers.

The food labeling amendments would end the mystery which surrounds the food we eat. In essence, it requires that basic information about the contents of the food be printed on the package label in plain and concise language. Specifically, the amendment accomplishes the following objectives:

First, the amendment requires that the labeling of food products disclose the ingredients. There is no reason to ask the consumer to buy a product whose contents are not known in full.

Second, the amendment requires that food product labels contain information about the nutritional content of that product. The consumer should have access to that information so that nutritionally sound meals can be planned. The Department of Agriculture has for many years labored to provide important information to the consumer with which a well-balanced meal can be designed. But, not everyone is aware of the availability of that information or is able to translate that information to the specific food products. Americans are eating more food than ever, yet there is ample proof that the nutritional content of our diets is decreasing. If the consumer is to become nutrition conscious, then he must have available the nutrition content of foods prominently displayed on the food package.

Third, the amendment requires that all perishable and semiperishable foods contain an expiration date on the label of the product. This date represents the latest date on which that product can be used and still be consumed without a high risk of spoilage, significant loss of nutritional value, or palatability.

The food labeling amendment would lessen substantially the difficulties which consumers face when purchasing food. It will assist in making the consumer informed and knowledgeable about what he buys at the store. The doctrine of "caveat emptor" is only valid so long as the consumer has at his disposal adequate information about which to make a rational purchase judgment. The only realistic means by which the consumer can obtain that information is through a system of product labeling.

I firmly believe that the product labeling system proposed by amendment No. 202 would benefit consumers by promoting competition among manufacturers and processors. Nothing in the bill imposes an unreasonable requirement on the food industry nor does it impose any requirement whatsoever on the farmer.

Many voluntary efforts have been made to date, mostly by retailers. Although retailers have made great strides, the progress of the manufacturers providing this information has been relatively slow. Most of the needs of the consumer with regard to the information required by this amendment can best be done at the manufacturing level rather than at the farming level or the retail level. We need the food labeling, and I hope my colleagues will join in with me in supporting this important consumer amendment to an otherwise fine consumer and agriculture protection bill.

Mr. President, I reviewed the history of this legislation and the hearings which have been held on it in the Senate. Jurisdiction has been divided among a number of committees, but a quick review indicates that at least 15 days of hearings have been held on this and other similar legislation over the past 7 years.

A distinguished roster of Senators has sponsored this legislation. In the current Congress, Senators HARTKE, WILLIAMS and SCHWEIKER are sponsoring legislation which embodies the thrust of this amendment. In the 92d Congress, Senators BAYH, COOK, HART, HATFIELD, HOLLINGS, KENNEDY, MATHIAS, MONDALE, PERCY, GRAVEL, MONTOYA, NELSON, and TUNNEY sponsored legislation which embodied the concepts espoused in this amendment. And looking back through early Congresses, I note that other sponsors of this legislation have included Senators MCINTYRE, METCALF, MUSKIE, and RIBICOFF.

This amendment has been considered in one way or another by many Members of the Congress and by several committees. At a time when the consumer is crying out about high food prices, let us provide some means of assistance so that the consumer will know, once and for all, what he is getting for the money he parts with.

The amendment is a response to the high food prices which the consumer is forced to pay in this time of high demand and reduced supply. The bill itself should help to match supply to demand, but until we grow the crops and get them to the market, and even after that has been accomplished, let us see if we can provide the consumer with the information he needs in order to make intelligent decisions. All Americans, from the farms in Iowa to the businessman on Wall Street, deserve to know what they are getting.

This amendment will help to keep costs down by encouraging intelligent purchases. An informed consumer is an important asset to our economy. Amendment 202 will provide for better informed consumers.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. MOSS. I yield.

Mr. PASTORE. Has the Senator's amendment to do only with packaged food?

Mr. MOSS. Yes—anything that is packaged and placed for use in a package, can, or container.

Mr. PASTORE. Does not the Senator feel that the public or the consumer or the purchaser should be told or notified as to whether or not the food has been prefrozen?

Mr. MOSS. Yes, indeed. That would be part of the information on there, because it would have a terminal date on which it could be used. Of course, if it had been prefrozen, it would have to have a terminal date.

The PRESIDING OFFICER. Who yields time?

Mr. MOSS. I reserve the remainder of my time.

Mr. TALMADGE. Mr. President, I make the point of order that the amendment is not in order, inasmuch as it is not germane to the bill.

The PRESIDING OFFICER. The Chair states that until the proponent's time has expired, the point of order is not in order, and the Senator from Utah has reserved the remainder of his time.

Mr. MOSS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. MOSS. I yield 3 minutes to the Senator from Indiana.

Mr. HARTKE. Mr. President, I am pleased to join the distinguished Senator from Utah as a sponsor of amendment No. 202 which is now before the Senate. This amendment embodies several of the provisions of the Food Consumers' Protection Act—otherwise known as the Truth-in-Food Labeling Act—which I introduced in the form of S. 1197 on March 14 of this year.

The pending amendment is based on the principle that consumers have a right to know every bit of pertinent information about the food they eat. This is an age when people are demanding to know more about their environment, yet we know so little about the food we consume. We are ignorant about its quality, its nutritional value, its ingredients and its freshness.

The pending amendment puts an end to much of the mystery which envelopes the food we eat. In essence, it requires that basic information about the contents of that food be printed on the package label in plain and concise language.

Mr. President, while I am pleased that the pending amendment incorporates many of the provisions of the Hartke Food Consumers' Protection Act, including open dating of perishable and semiperishable foods and nutritional and content labeling, there is one provision of that bill which was not included in the Moss amendment. I refer to the provisions of my bill which establish a program of quality grade labeling.

Mr. President, I believe that grade labeling is essential if consumers are to know about the quality of the food they are buying. Accordingly, I had intended to offer an amendment to the pending amendment and but i view of the parliametary situation, I shall not to do so.

Mr. President, quality labeling of food products is not a new idea. It was first proposed in the early 1930's by Rexford Tugwell, who was then in charge of the Food and Drug Administration. Mr. Tugwell thought that it was not enough to tell a consumer that there were peaches inside a can. There are good peaches and there are bad peaches with other peaches falling into the tolerable range in between, and the price differential can be considerable.

One single canner or packer can send his product to many different distributors. If a big-name canner of peaches, for example, wants to do so, it can take its own best peaches and pack them under its own name, and then have other lesser grade peaches packed under other brand names. It can also take some of its best peaches and pack them under a name other than its own. This is done every day of the week. How is a consumer to know whether there is any difference in quality between the national brand name can of peaches and the store brand name? Price alone is not a good indicator. Some high quality peaches sell at lower prices than peaches of lower quality. In fact, it is the brand label that goes on a can that determines the price, not the food that goes inside the can.

Mr. President, if we ended the chaos which presently exists at the supermarket, the consumer could ignore the brand name and buy on the basis of quality. I know that fact may cause alarm among some packers and distributors of food products, but it would be a most welcome and helpful change for the consumer.

The proposal that would have been made by my amendment is a reasonable one. It calls for all food products to contain a grade label—A, B, C, D, E, or substandard. Any or all of those designations could be used. The standards for all food products already exist. There is already in use a grade labeling program under the auspices of the U.S. Department of Agriculture. Unfortunately, grade labels can be used only by packers who are under continuous inspection by the Department of Agriculture. The continuous inspection program is a permissive one which is not used by all packers. For packers under the continuous inspection program, grade labeling is optional.

Mr. President, the pending bill is a consumer protection bill. I can think of no more appropriate amendment than one which will save the consumer money at the supermarket. One consumer group has estimated that quality grade labeling would save the consumer as much as 20 percent, which is the difference in what the consumer pays for brand name products and what he could pay for the same food marketed under a private brand name.

I had thought about introducing an amendment. As I understand the parliamentary procedure, what is going to happen to the amendment may even jeopardize it still further. I hope that when the time comes, we can go ahead with the other part of the bill, which would provide that we would have this grading of food.

I ask the sponsor of the amendment whether or not he is in favor of having hearings on a measure of that kind.

Mr. MOSS. Indeed, we have held some hearings already and we may have further hearings if there is additional material to be gathered. But as I pointed out in my statement, this matter has been considered in a number of ways and a number of Senators have offered the basic thrust of this amendment, including the Senator from Indiana who has pending a measure of this sort.

Mr. HARTKE. Mr. President, I withhold this amendment at this time, but I do hope the manager of the bill does not raise the point of order. The title of the bill states that it is to protect consumers and that is all the Senator from Utah is intending to do, to try to provide additional protection for consumers in the field of food.

Mr. MOSS. Mr. President, the Senator is correct. On lines 16 and 17 of page 51 of the bill it states that this may be cited as the Agricultural and Consumer Protection Act of 1973. I submit nothing is closer to consumer protection than the amendment offered now, amendment No. 202.

Mr. HARTKE. Mr. President, I wish to point out that we have the ridiculous situation where pineapples which heretofore have been grown in Hawaii will no longer be produced there because we do not permit DDT to be used. DDT is permitted to be used in Taiwan and the Philippines. Therefore, the Stokely people, who used to grow pineapples in Hawaii, are going out of business, so that all the pineapples, instead of coming from Hawaii, are going to come from Taiwan and the Philippines. But we will not permit them to use DDT on Hawaiian pineapples. This points out how ridiculous the situation is which exists at the present time.

I hope the manager of the bill does not raise a procedural point. Let us vote on the amendment. If the Senate rejects it, that will be the will of the Senate.

Mr. MOSS. Mr. President, I ask unanimous consent that the name of the Senator from Connecticut (Mr. RIBICOFF) be shown as a cosponsor of this amendment.

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

Mr. MOSS. Mr. President, I reserve the remainder of my time on the amendment, and I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time, and I make the point of order that the amendment is not in order because it is not germane to the bill.

The PRESIDING OFFICER. The Chair will state that the amendment does introduce completely new subject matter in regard to food packaging and labeling, and that there is no such subject matter in the bill. Therefore, it is not germane and the point of order is sustained.

Mr. MOSS. Mr. President, I want to appeal the ruling of the Chair and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, how much time is available on the appeal?

The PRESIDING OFFICER. The proponents have 10 minutes and the opponents 5 minutes.

Mr. TALMADGE. Mr. President, I yield 1 minute to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I am a little embarrassed because of the request which I am now about to make.

The original unanimous-consent request was for a vote at 2:30 p.m. tomorrow. Then, because of certain situations which had arisen I established contact with the managers of the bill and asked if they would mind if the vote were set at 3 p.m. tomorrow. One of them indicated that he had to check with a Senator. He did. It was satisfactory, and the Senate granted that unanimous-consent request.

Since that time it has been brought to my attention that we would not have gotten the 2:30 vote, let alone the 3 o'clock vote, as far as some other Senators are concerned. So there is a choice of being between the devil and the deep blue sea. I ask unanimous consent that the original time of 2:30 p.m. again be designated, under the same regulations, waiving rule XII, and in the usual form.

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

Mr. MANSFIELD. Mr. President, if the Senator will yield to me for one-half minute.

Mr. TALMADGE. I do.

Mr. MANSFIELD. I wish to state that on Monday we will take up the Morris nomination. It is quite possible we will not get to a vote on it until Tuesday, but we will after a reasonable amount of debate on the nomination turn to the authorization bill for the State Department on Monday. There may be votes on that business that day.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state it.

Mr. CURTIS. On the appeal from the ruling of the Chair, how would a Senator vote to sustain the Chair?

The PRESIDING OFFICER. The vote to sustain the Chair would be a vote of "yea."

Mr. MOSS. Mr. President, I shall be brief. I am sure that the committee in its work on the bill—and it is a very important and excellent bill—I am sure that in their consideration the committee members were deliberate in setting out the title as an Agricultural and Consumer Protection Act. If we are dealing with a Consumer Protection Act, certainly the amendment is germane. It is also germane in that the amendment deals with agricultural food products. The amendment provides that when products are sold in packages or cans or containers, where it is not possible to see them—it is not like cabbages or lettuce, or produce of that kind—but if they are processed and placed in a package which contains the nutritional content; or if it is the type of food product that will spoil; or if it contains, prominently, a date when its usefulness will expire, then the amendment would apply. It applies to food and is for the protection of the consumer.

For that reason, I appeal to Senators, on the vote to appeal from the ruling of the Chair to vote "no." I understand that the vote would be no; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MOSS. Mr. President, I would hope that a "no" vote would enable us to proceed immediately to vote on the amendment. I expect the amendment to be adopted by a voice vote. There are some 22 Senators who have already sponsored or cosponsored legislation that has the same force to it as does the amendment before us today.

Mr. TALMADGE. Mr. President, I ask Senators to look at amendment No. 202, by the Senator from Utah. The Chair has correctly ruled that the amendment is not in order, because it is not germane to the bill.

I know nothing of the merits of the amendment. It might be a good one. But it contains 15 pages, and the committee had no opportunity to look at it. I have looked at it hurriedly today.

The amendment says that it is to the farm bill. But, this is a labeling amendment.

Follow with me, on page 1, line 7: "The Fair Packaging and Labeling Act is amended as follows."

Then, if Senators will follow with me to page 2, line 21: "Title II—Labeling of Food Products to Disclose Ingredients."

Then follow with me further to page 3, line 15: "Ingredients Labeling Program."

Turn over to page 4, line 13: "Title III—Nutritional Labeling of Food Products."

If Senators will proceed further, on page 7, line 9, we read: "Title IV—Labeling Requirements for Perishable and Semiperishable Foods."

Let us proceed further to page 8, line 3: "Labeling Requirements for Perishable and Semiperishable Foods."

And so on.

So the Chair has correctly ruled that this is a labeling amendment, not a farm amendment. Frankly, I do not know where jurisdiction lies. I do not know whether it is in the Committee on Agriculture and Forestry; I do not know whether it is in the Committee on Commerce; or whether it is in some other committee.

But I do know that the amendment is not germane to the bill pending at the desk. The Chair has correctly ruled. This is a matter that needs study by the appropriate committee.

It is nongermane to this bill, and I hope Senators will correctly uphold the ruling of the Chair, because the Senate rules are very important to this body. We cannot conduct our business properly without a fair Presiding Officer and without a fair Parliamentarian who will apply the rules that have been written by the Senate and built up over two centuries of procedure by this body.

I yield the floor.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. MOSS. Mr. President, I will take just 1 minute, if I may. Then I shall be willing to yield back the remainder of my time.

The Senator from Georgia, manager of the bill, read a number of subheadings in the amendment. I would simply like to stress the word that appears in practically every paragraph, "food"—food products, perishable food products—in the subheadings.

What is more germane to the agriculture bill we are talking about, which is trying to get a program for the production of food for our people, than this matter of having a labeling of food products? I say it is germane to do that here, particularly when it is called a Consumer Protection Act. It has to do with food labeling and protecting the consumer of those foods.

Therefore, I think we should vote "nay," call the amendment germane, and then have an up or down vote in the Senate as to whether we are willing to adopt the amendment.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on sustaining the ruling of the Chair.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, I yield back my time.

Mr. MOSS. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? 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 Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), and the Senator from Mis-

souri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is 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 Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from New Mexico (Mr. DOMENICI) is absent to attend the funeral of a friend.

The Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

If present and voting, the Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The yeas and nays resulted—yeas 59, nays 31, as follows:

[No. 182 Leg.]

YEAS—59

Aiken	Eastland	McClellan
Allen	Ervin	McClure
Baker	Fannin	McIntyre
Bartlett	Fong	Metcalf
Beall	Goldwater	Nunn
Bellmon	Gravel	Pearson
Bennett	Gurney	Randolph
Bentsen	Hansen	Roth
Brock	Haskell	Saxbe
Buckley	Hatfield	Scott, Pa.
Byrd, Harry F., Jr.	Hathaway	Scott, Va.
	Helms	Sparkman
Byrd, Robert C.	Hollings	Stafford
Chiles	Huddleston	Stevens
Church	Humphrey	Talmadge
Clark	Jackson	Thurmond
Cook	Johnston	Tower
Curtis	Long	Tunney
Dole	Mansfield	Weicker
Dominick	Mathias	Young

NAYS—31

Abourezk	Hartke	Packwood
Bayh	Inouye	Pastore
Bible	Javits	Pell
Biden	Kennedy	Percy
Brooke	Magnuson	Proxmire
Burdick	McGee	Ribicoff
Cannon	McGovern	Schweiker
Case	Mondale	Stevenson
Cranston	Montoya	Williams
Eagleton	Moss	
Hart	Nelson	

NOT VOTING—10

Cotton	Hruska	Symington
Domenici	Hughes	Taft
Fulbright	Muskie	
Griffin	Stennis	

The PRESIDING OFFICER. On this vote the yeas are 59, the nays 31. The decision of the Chair stands as the judgment of the Senate.

Mr. PEARSON. Mr. President, this legislation is of first importance to the 4.5 million Americans who are employed on our Nation's 2.9 million farms.

Most farms in the United States are family owned and operated, with an average family investment of $112,000. The family farmer must have the opportunity to produce crops which are best suited to his land and equipment. The farmer must have the opportunity to market his commodities freely for a reasonable price—a fair return on investment, skills, and labor. And the farmer, finally, must be protected against the overproduction of those commodities which the Nation has the capacity to supply in excess of foreign and domestic demand.

The Senate Agriculture Committee has reported a bill which accomplishes these objectives. The committee bill extends for 5 years the best features of the 1970 Agriculture Act. It contains new provisions, however, which eliminate some of the inequities in the current programs. It will promote stability in agricultural production and increased farmer income without imposing excessive governmental regulations or regimentation upon producers.

Mr. President, this legislation increases reliance upon the marketplace, and diminishes reliance upon program payments for a fair price. Farmers will welcome this change in policy. They have never asked for more than a fair price and an opportunity to supply consumers with food and fibre at levels proportionate to their needs. Farmers generally have disapproved of past programs which have permitted market prices to fall below the cost of production.

The committee bill establishes a "target market price," or goal, for wheat, feed grains and cotton. The 1974 crop year target price is $2.28 per bushel for wheat; $1.53 for corn; and $1.46 for grain sorghum. The target price for succeeding years, of course, would be increased to reflect increases in the cost of production. This legislation is based upon the reasonable assumption that national average market prices will not fall below these target levels if set-aside requirements for program participation are responsibly established each year based upon projected foreign and domestic demand.

Farmers who participate in the wheat and feed grains programs will be guaranteed payment if the national average market price falls below the target price level for a designated commodity. The payment to each producer will equal the difference between the average market price and the target price level established for that commodity. And payment will be made to insure a fair return on each farmer's share of the national allotment for domestic and export production.

Mr. President, based upon recent experience under the terms and conditions of the 1970 Agriculture Act, it is reasonable to assume that well-managed commodity programs, under the new legislation before the Senate, will result in fair market prices. The committee bill is premised upon that assumption. But the Congress and the Nation must not abandon the commitment to insure a fair return to producers in the event the USDA projections of domestic and foreign demand are seriously in error. The committee bill provides adequately for that eventuality.

Mr. President, many citizens from urban America often ask why it is necessary for Congress to fashion legislation to protect the incomes of our Nation's farmers. They are generally aware that while our agricultural production is enormous, the actual number of farmers is relatively small. Out of a work force of 83 million in the United States, only 4.5 million are employed in farming. The urban American knows that food prices are increasing, and assumes, therefore, that farmers are doing rather well.

These urban citizens generally are not aware that prices for raw agricultural products have not kept pace with other price levels in the economy. In 1950 the wheat farmer received 2.4 cents for his essential contribution to a 1-pound loaf of bread. In 1972 the farmer received 2.9 cents for the wheat in a 1-pound loaf. The farmer's share of the price actually declined from 17 percent to 12 percent over the 22-year-period as the retail price of a 1-pound loaf of bread increased from 14.3 cents to 24.7 cents.

Dramatic increases in farm productivity have made it possible for the family farm as an economic unit to survive. The target prices established in the committee bill will permit our Nation's farmers to achieve a fair return in 1974, and increases in farm productivity as well as increases in farm costs will be calculated each succeeding year to establish future "target market price" levels.

The average American family spends only 16 percent of its disposable income on food. This may be compared to 18 percent in Canada, 25 percent in England, about 30 percent in Western Europe, about 50 percent in the Soviet Union and as high as 90 percent in the underdeveloped countries. And out of the $116 billion which Americans spent in 1972 for U.S.-produced food, only $39 billion went to the farmer as gross income. The remaining $77 billion was attributable to transportation, processing, manufacturing, wholesaling, retailing and profits to the middle-man.

The urban American, if he learns the facts, will recognize the great contribution which U.S. agriculture has made to his high standard of living. He will acknowledge the obligation of Congress to promote fair farm prices. He will understand the threat of overproduction to the agricultural economy in the event the USDA miscalculates foreign and domestic demand. In short, Mr. President, the Agriculture and Consumer Protection Act of 1973 is legislation which all Americans—urban and rural—can support.

HUMANITARIAN CONSIDERATIONS

Mr. President, the committee bill continues the great humanitarian programs which have been established and maintained by succeeding Congresses.

The author of the historic Public Law 480, now called "Food for Peace," was the late distinguished chairman of the House Committee on Agriculture, Clifford Hope of Kansas. Under this program, more than $20 billion in concessional sales and donations of American food has gone to the desperately needy and hungry throughout the world. Food for Peace is unique in the history of human experience: never before has a people shared so unselfishly its bounty with its neighbors. This great program is continued.

The American people have made a deep commitment to insure that families, regardless of their means, have adequate and nutritious diets. The food stamp program is our principal weapon against hunger in America.

The Nixon administration is to be congratulated for its efforts to expand the

benefits of food stamps to all Americans who are genuinely in need of the program. In 1969, only 3.2 million citizens received food stamps.

The peak-month participation in the food stamp program during 1973 is estimated to top 12.3 million. There are no more hungry or needy people in the country today than in 1969; indeed, there are less. But today more of the hungry are being served.

I commend the committee for continuing this program, and I commend the Nixon administration for carrying it out with such commitment and dedication.

CONCLUSION

Mr. President, I have highlighted only some of the major features of the Agriculture and Consumer Protection Act of 1973. The bill contains other amendments to and extensions of existing law which are important. Under the committee measure, for example, the dairy farmer is guaranteed 80 percent of parity for his manufacturing milk during the 1973–1974 marketing year.

This provision is one which I introduced, as separate legislation, earlier this year. In view of escalating costs to the dairyman, I believe the increase in the support price is justified.

The Senate Agriculture Committee has met its responsibility both to consumers and farmers in recommending enactment of the pending bill. I commend my colleague from Kansas (Mr. DOLE), and other Senators on the committee for their diligence in reporting promptly this bill which will insure stability in agriculture in the years ahead.

It is important now to proceed with congressional action on this farm legislation. If we delay too long, farmers will not have the opportunity to plan adequately for the 1974 crop year.

I support the Agriculture and Consumer Protection Act of 1973, and I urge its passage by the Senate.

Mr. ALLEN. Mr. President, I rise today to support in the strongest terms S. 1888, the Agriculture and Consumer Protection Act of 1973.

This bill was developed within your Agriculture and Forestry Committee in a bipartisan fashion. I am confident that this spirit of bipartisanship will carry over into the widespread support here on the floor that this bill undoubtedly deserves.

May I say that in the new farm legislation there is much of the experience and wisdom of the chairman of the Senate Committee on Agriculture and Forestry, the distinguished senior Senator from Georgia (Mr. TALMADGE). The farmers and farm families of America have no greater friend than HERMAN TALMADGE. His name stands near the top of any rollcall of Senators who have authored and worked and voted for farm programs.

Through the years the distinguished Senator from Georgia has been a most effective and eloquent spokesman in the battle to enable the farmers of our Nation to obtain their fair share of the national income and to enjoy the fruits of American prosperity.

A few weeks ago I was privileged to conduct a formal hearing in Montgomery, Ala., for our Senate Committee on Agriculture and Forestry on new general farm legislation. It was an outstanding hearing, perhaps the finest I have ever attended.

The grassroots testimony gathered at the hearing was of inestimable value to me at markup on S. 1888. We heard from some 22 witnesses, including the Governor of the State of Alabama, the Honorable George C. Wallace. I have a copy of the statement Governor Wallace delivered at the Alabama hearing and ask unanimous consent that his splendid remarks be printed in the RECORD.

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

STATEMENT OF GOV. GEORGE C. WALLACE

Mr. Chairman, first I must express my appreciation to you and to the entire membership of the Senate Committee on Agriculture and Forestry for holding these important hearings on the farm situation in Alabama, the Southland and throughout our country. Your interest in the problems of agriculture and rural America and the outstanding job you personally are doing offer some measure of reassurance to this Nation's farmers who must have been surprised and alarmed, as I was, by recent proposals that farm commodity and supply-adjustment programs be abandoned.

Senator Allen, as I have travelled the length and breadth of this land time and again in recent years, I have become increasingly alarmed also by the lagging growth rates in rural areas and the corresponding concentration of population in the cities which has caused significant and deleterious effects on the various aspects of American society.

Many rural areas which were heavily dependent on farming have experienced large declines in total population and purchasing power as well as political influence. Here in our own State of Alabama we have, just in the two decades since 1952, lost more than one-half million of our rural citizens to other states. This mass migration described in a study by the University of Alabama as the FLIGHT FROM THE SOIL has already resulted in the loss of two seats in the Congress of the United States from Alabama. So severe is the impact of our loss that if you began with the 1950 Census figures and added all births and subtracted all deaths within our States since that date, the calculation would result in a figure equivalent to the present population of Alabama plus the population of a city the size of Atlanta. Think of the social, economic and political loss to our State because of this drastic and unnecessary depopulation of our rural areas—a loss we can never make up.

Mr. Chairman, the question before us today is why must it go on? Why must our Alabama farms continue to disappear at the rate of 5,000 per year? Why must some of our finest and most patriotic and God-fearing citizens be driven off their land where they have known a cherished and respected way of life and into the cities that can only provide ghettoes and welfare roles? Why must local business firms disappear from the rural scene in numbers so large as to cause the per capita cost of maintaining necessary local services such as roads, schools, mail deliveries and electricity to be raised to prohibitive levels? Why must those left on the land suffer the personal hardships of being stranded in rural areas where there is little or no demand for their services and where depopulation has caused local governments to be hard pressed to raise funds necessary for continued functioning, much less provide quality services?

Why, Mr. Chairman, must our federal Government compound the gravity of the problems of our people by condoning the jamming of these souls into the large metropolitan centers only to cause serious and costly problems of traffic congestion, air and water pollution, increased criminal activity, worsened race relations and swollen welfare roles?

It has been said that "land without people is a wilderness and people without land is a mob." Surely there is a better way than creating wilderness out of our fertile fields and making mobs out of our cherished children!!! Surely, Mr. Chairman, this country has something better to offer our citizens than more of the same.

There is a better way. Senator Allen, members of this distinguished Committee, together, let us find the better way, and I will help you to find the public acceptance you need across this great land of ours to make things right in rural America once again.

The better way lies with the quality of rural life. People everywhere are just like our own noble Alabama farm folk. They would rather live in the fresh air, on their own soil, enjoying the gifts of God and nature, provided they could once again expect the economic opportunity to provide their families with the quality of life enjoyed by their fellow citizens in the suburbs.

Quality rural life begins with economic opportunity. A day's pay for a day's work. Automobiles and the gas they burn, television sets and the electric power they consume, health care with its medical bills, all cost the rural American just as much as his city cousins. Yet most urban workers have higher returns per hour of labor than most rural workers. And, almost all urban workers enjoy greater purchasing power per hour of labor than do their brothers who diligently till the soil to produce the food and fiber so vital to the well-being, let alone the safety and security of this great country. Now don't misunderstand me, I am happy to see the urban workers receive good pay. But quality rural life, equal quality, is necessary to save our country from the wilderness of rural depopulation and the mobs of urban overpopulation.

Mr. Chairman, while rural population has declined so markedly in recent years, the actual farm population has declined even more critically. During the decade from 1960 to 1970, when urban population swelled by more than 19 percent, rural population fell off 4 percent, actual farm population dropped a whopping 38 percent. Here in Alabama, studies by your own staff economists reveal that this State's total farms have dropped to an alltime historic low of only 76,000 working farms in 1973. This compares to approximately one-quarter of a million Alabama farms scarcely more than 30 years ago—an average loss of 5,000 farms per year for over three decades.

Certainly it doesn't take any educated economist to look at these figures and determine why our housewives should indeed be concerned over the price of meat and groceries.

But, if they would look ahead just a few years further with the continuing trend, they could find something much more serious than even high prices with which to concern themselves—the prospect of no meat, not enough groceries at any price. The prospect of nobody left on the farms to produce the abundance of food and fiber which this country and its people have come to take for granted.

Gentlemen of this Committee, I implore you, your colleagues in the Senate, yes even the President, I say to all—you must not, you cannot let this happen.

You gentlemen set the public policies which our farmers must live and die with; your actions will determine whether this

country will be guided in the future by legislation and the resulting farm programs enacted in the total national interest so as to enable this Nation and its people to continue to enjoy the Lord's blessing of the highest living standard in the history of the world.

Across the board inflation unbridled by sensible public policies, an unexpected world demand for wheat, feed grains and meat, coupled with a long-time public policy of imposed deferred-maintenance on our farm caused by low farm prices has brought us for the first time in this generation to the brink of food shortages.

Food prices resulting from these factors have gone up, week by week, and every family—city and farm—feels the impact on the pocketbook. And even though everything else has gone up too, a clamor has arisen, making out the farmer as the villain, solely responsible for rising food costs.

As responsible public servants, we here today cannot indulge ourselves in the luxury available to those less responsible of wantonly blaming any particular segment of our economy excluding all others.

Rather, together we must seek, we must find a remedy.

Thoughtful farmers and those of us who are truly concerned with public agricultural policies that are in the total national interest for the long run must think of terms of assuring this Nation a continued abundance of food and fiber so as to prevent the grave national risk of potential shortages we are now facing.

But, to accomplish this, public policy so parsimonious and niggardly as to force our farmers into continuous posture of deferred-maintenance must be supplanted with sound long-range legislation that is keyed to demand, assures stable production and provides adequate income for the farmer who is prudent with his investment, energetic with his labors and productive with his resources.

Mr. Chairman, we don't have enough farmers left to lose any more as we did during that horrible flight from the soil of the 1950's and still have enough farmers equipped to supply this Nation with adequate food and fiber.

Gentlemen. there is a serious problem confronting our peanut farmer in Southeast Alabama and Georgia known as the A-Flavus Mold. This could have a serious effect on our 18,000 families producing peanuts in Southeast Alabama. In Alabama we have approximately 200,000 acres planted to peanuts and the yield is approximately 200,000 tons yearly. Last year approximately one-third of the total tonnage was affected by this disease. This could be a loss in income from between $3 to $10 million depending upon the severity of such disease. The annual income from peanuts in 1972 was between $50 and $60 million. This year, in 1973, a penalty has been imposed on those farmers in which, through the sampling process, it is found that the peanuts are diseased at the expense of $65 per ton.

It is very necessary that we do something and something immediately to protect so many people from so much hurt. Research in our laboratories is seeking a control of the A-Flavus Mold, but as of today they have not come up with any solution.

This problem could spread to all the peanut producing states that we have and would be a very serious problem to the economics of the peanut producers. I know that this Committee is studying this problem with concerned interest and hopefully will come up with a solution.

Just recently, scientists concerned with the energy crisis have calculated that because the chief source of energy used in the production of cotton comes from the radiant sun, the nourishing earth and the refreshing rains that cotton production consumes only one-tenth as much commercial energy as does synthetic fiber production.

With both an increased per capita fiber demand and a serious potential energy shortage, it would be less than prudent for our government to continue to curtail cotton production so drastically.

As an indication of the drastic impact of the present cotton acreage control and price support program, I cite you the figures of your own Committee study indicating that the cost of production of cotton in Alabama amounts to 31.6 cents per pound in the northern part of the State where two-thirds of the production takes place and exceeds 46.5 cents per pound in Southern Coastal Plains. Yet the average price of cotton received by farmers in the marketplace was only (23.6 cents per pound in 1968; 21.0 cents per pound in 1969; 21.9 cents per pound in 1970; 28.1 cents per pound in 1971 and only) 26.5 cents per pound in 1972.

Without the price support payments provided by the current federal programs, our farmers would have lost from 5 cents to 15 cents per pound on every pound of cotton they produced since 1968.

No wonder then that Alabama's farm acreage devoted to cotton has declined from nearly two million acres in 1949 to scarcely half a million acres for 1973; a 75% reduction in land resources devoted to cotton in less than 25 years.

Public policies which would worsen farm conditions like those experienced by our Alabama cotton farmers cannot be expected to assure this country the abundance of food and fiber so vital to our safety and security.

Gentlemen, as always our patriotic farmers will serve this country well if we will but give them the economic opportunity of fair prices—prices that will assure them a return on their labor, capital and management at least equivalent to their fellow workers, professional people and businessmen in the cities.

It is certainly in the total national interest to make the best possible use of public policy to preserve our independent farms and farmers. Our country's "free market" was long ago modified and circumvented in various ways by corporate structures for big business conglomerates, by tariffs and import restrictions, by laws for "fair trade pricing and fair competition" by exclusive franchises and an assured return on investment for the utilities, and by restriction of entry into certain trades and professions. And, these things are all here to stay. The independent farmer stands almost alone as the surviving example of free enterprise competition in the United States economy.

For all these and many more reasons, if this Nation is to continue to be the best fed and best clothed, and if our people are to continue to spend less of their total take-home pay for food and fiber than any nation in the world, ever in history; then certainly the power of public policy must be used to sustain the independent farmer in our economy which is otherwise so strongly organized—an economy in which almost all other production is planned, where most marketings are regulated, where most prices are administered where most other profits are by flat added on to the cost of production.

It is in the total national interest to assure the citizens of this country an abundant supply of food and fiber at reasonable prices by enacting government programs and policies such as may be essential to protect independent farmers against the hazards of the marketplace where almost everyone else except the agricultural producer is protected.

Certainly, no one can successfully dispute that it is in the total national interest to maintain an agricultural plant capable of producing the food and fiber needs of this country plus adequate reserves to sustain us through any emergency. To accomplish this, our government must provide its rural citizens with programs and policies which they can understand and which will guarantee them the opportunity for a QUALITY OF LIFE not less than that enjoyed by our suburban citizens.

In summary, this is the course of action which I recommend to you, the members of this Committee, the elected representatives of the people.

Provide farmers and rural Americans the opportunity for a QUALITY OF LIFE equal to their city cousins and they will continue to provide this country with the best food at the cheapest real cost of any country in the world at any time in history. If you do this, you will stop the depopulation of rural America. You will halt the overcrowding of our cities with all the attendant evils. You will be making an investment for posterity rather than incurring an expense for the taxpayer.

Agriculture has no better friends than the members of this Committee; the farmers of America have no greater champion than Alabama's own Senator James B. Allen; the citizens of this country have no stronger defenders of their liberty than the farmers of this Nation who, if allowed to do so by prudent public policy, will continue to produce the abundance of food and fiber so essential to our national welfare and at prices we all can afford.

Mr. Chairman, members of the Committee, I am grateful for this opportunity to share these views with you, and I offer you my full support as you go about your task of effecting long-range public policies necessary to the very survival of our way of life itself.

Mr. ALLEN. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a list of those who personally testified at the Alabama hearing.

There being no objection, the list was ordered printed in the RECORD, as follows:

M. D. (Pete) Gilmer, Commissioner, Alabama Department of Agriculture and Industries

J. D. (Jimmy) Hays, President, Alabama Farm Bureau Federation

Amzi Rankin, Dairy farmer, Faunsdale, Alabama

Clinton Berry, Beekeeper, Montgomery, Alabama

G. O. Long, farmer, Smiths, Alabama

Ralph Martin, farmer, Catherine, Alabama

Albert McDonald, farmer, Huntsville, Alabama

Wheeler Foshee, farmer, Red Level, Alabama

Wilbur Nolen, Soil Conservation Director, Montgomery, Alabama

George Tibbetts, cattleman, Theodore, Alabama

Dennis Bragg, farmer, Toney, Alabama

Maston Mims, farmer and state legislator, Uriah, Alabama

O. H. (Dick) Bowen, Cooperative Manager, Atlanta, Georgia

George N. Robinson, Cotton Warehouseman, Huntsville, Alabama

George C. Wallace, Governor, State of Alabama

David Osment, Poultryman, Cullman, Alabama

E. H. (Ham) Wilson, Vice President, Alabama Cattleman's Association

W. M. (Bill) Brown, cattleman, Atmore, Alabama

T. O. Owen, farmer, Brewton, Alabama

Ben Reynolds, Jr., farmer, Childersburg, Alabama

Dr. Fred Robertson, Vice President for Ex-

tension Service, Auburn University, Auburn, Alabama

Ed Mauldin, farmer, Town Creek, Alabama

Mr. ALLEN. Mr. President, American agriculture is the marvel of the civilized world. It is a remarkable fact that less than 5 million U.S. farm producers have fed and clothed more than 200 million Americans and fed and clothed them better than any people have been fed and clothed in all the history of the world.

It goes without saying that most of us today are feeling the effects of the high cost of living. A great deal of attention is being paid right now to food prices, and properly so, in my opinion. We can consider food prices a crude index of the effectiveness of economic stabilization. On the other hand, we cannot consider food prices as an index of farm income.

Yet, many segments of the national news media and so-called consumer advocates are pointing their fingers at American farmers and livestock producers charging them as being the villains of the rise in retail food prices. Nothing could be further from the truth as I believe debate on S. 1888 will reveal. What the national news media should be extending to the American farmer is a deep appreciation for his role in providing the food and fiber to feed and clothe the people of America and much of a hungry world as well.

When we closely investigate the stories and shrill cries of those who seek to place the blame for food costs on the shoulders of American farmers, we find that they have greatly distorted the picture by the omission of some relevant facts. When we put things in proper perspective, food prices come out all right.

Yes, food prices have gone up. But the average American's paycheck has gone up faster. In 1947, Americans spent 25 percent of their paycheck for food. By 1950, this had dropped to 22 percent, by 1959 to 20 percent. And today food expenses take about 16 percent of the U.S. wage earner's paycheck. That is an amazing record when you consider that many people of the world spend over half their income for food.

The issue of food prices in relation to the income of Americans is the subject of an editorial in this month's issue of The Progressive Farmer, one of the most distinguished publications in the United States. I commend the editorial to the Senate and ask unanimous consent that it be printed in the RECORD at this point:

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

NOWHERE ELSE IS FOOD SO REASONABLE

The other day a plumber came to our house to fix a leaky pipe. He worked an hour and, on leaving, presented a bill for $26, which included $12.50 for himself, $6.50 for his helper (who wasn't needed), and $7 for parts.

As he left, we wondered how much beef would have to sell for if farm labor cost $12.50 an hour. Few would argue that plumbing requires any more intelligence, skill, and training than farming. Yet these are the people—the people responsible for the services of daily life—who are wailing so loudly about the cost of food and whose wives are participating in the beef boycott.

Between 1961 and 1973, food prices increased about 30%. Meanwhile, the cost of home maintenance and repairs increased 73%; auto repairs and maintenance 45%; physicians' fees 54%; public transportation 63%; and hospital room charges 163%.

If there is one thing that has contributed to higher food prices over the years, it is the marked increase in labor costs all up and down the line from farm to consumer.

As pointed out by the Ohio Farm Bureau: "The very people who have had tremendous increases in wages over the past 20 years are now trying to ruin the food increases of the past few months."

Of every $4 spent for food at the retail level, about $3 is added after the product leaves the farm. So if consumers join campaigns (lettuce and grape boycotts) designed to add to the cost of food production and unions keep demanding huge wage increases, they should be willing to pay for these labor-induced costs in the marketplace.

Both boycotts of beef and price ceilings on red meats are unfair and discriminatory. Farmers and feedlots are at the end of the line, and are certain to be victimized by any price rollback. However, one good thing about the boycott is that it is not likely to last long. Those who can afford beef will soon have it back on their tables. Moreover, neither ceilings nor boycotts will solve the problem. As H. Emmet Reynolds, president of Georgia Farm Bureau, concludes: "Farmers are in the process of increasing red meat, but if the door to opportunity is shut in their faces they will have no alternative but to reduce production."

Food prices have indeed taken a big jump in recent months. But even so, wage increases over the years have far outstripped the boost in food costs. Despite the increased variety and "maid service" added to foods in recent years, an hour of factory labor buys more food than ever before.

Compare what an average industrial worker's hour of labor would buy in 1972 with what it bought in 1947–49:

	1947–49 (hourly wage $1.30)	1972 (hourly wage $3.25)
Bread (loaves)	9.6	9.3
Milk (quarts)	6.5	11.0
Eggs (dozen)	1.8	7.2
Pork cuts (pounds)	2.2	3.5
Choice beef (pounds)	1.9	2.7
Tomatoes (cans)	6.2	10.5

Nowhere else in the world is food produced more skillfully and reasonably than in the United States. When it comes to beef prices, we can thank our lucky stars that we live in the United States. In mid-March, USDA reported sirloin costing $1.59 in Washington compared with $2.45 in Brussels, with T-bone $3.57 per pound in Tokyo.

Why are we telling you all this? You already know it. But apparently a lot of people don't. Our hope is that you will drive home these points to all people. Let's repeat them over and over again until our city friends understand the importance of agriculture and how fortunate they are to live in a country where agriculture is so strong and progressive. For truly, nowhere in the world except in the United States do so few farmers produce so much quality food and fiber to feed and clothe so many people at such reasonable prices.

Mr. ALLEN. Thus, Mr. President, we see that food prices have actually risen at a much slower rate than other goods. Yet, food is bought almost daily by all families, and food purchases have to be made. They cannot be delayed to await more favorable prices as the purchase of other consumer goods can be. Consequently, food prices are quickly noticed. No price mark-up escapes the eye of the housewife.

But trying to tell someone who remembers 60 cents a pound beef that food is still a bargain is a frustrating, if not impossible task. Facts and figures have little effect on the housewife who watches her grocery bill climb.

Reminding housewives that suntan lotion, nonprescription drugs, tobacco, pet food, hardware items, household supplies and countless other items available at the supermarket and classified by them as part of their "food" bill, has no appreciable effect either despite the fact that they make up one-third of the grocery list.

As we know, the products of the farm are the essentials of life. From the farm come the food for our sustenance, fiber for our clothing, leather for our shoes, and other necessities of living.

The people of this great Nation of ours have, in the past, recognized the importance of the farmer to the strength and health and security of our Nation. We know, too, that the farmer is subject to greater hazards than most other segments of our economy. Not only is the farmer subject to ordinary economic risks and the uncertainties of the marketplace, but he is often beset by natural calamities such as drouth, hailstorms, insect pests, crop blight, and floods such as a great part of our Farm Belt has experienced in recent weeks. The farmer cannot stop production by throwing a switch. In large measure, he must follow the pattern dictated by nature, planting in the spring and harvesting months later in the fall.

Therefore, Mr. President, the citizens of this country, acting through their Government have taken steps to stabilize the agricultural economy, assure the farmer of a fair share of the national income, and enable him and his family to know the benefits and comforts of modern living. Time and again, the Congress has enacted programs to help achieve these objectives.

The purpose of our farm programs has not been to treat the farmer differently, but to help put him into a position from which he can bargain as effectively as the other more favorably placed segments of our economy. This is necessary because agriculture is composed of many thousands of individual producing units. To date, our farmers have no effective way of joining together in sufficient numbers to have a say on price or demand.

Although the legislation now before us does not contain all of the provisions which I feel are needed to round out our farm program, it is a good bill and basically a sound bill. It is a bill which will continue many of the tried and proven programs of American agriculture, programs which will permit American consumers to enjoy the best food buys in the world.

For wheat, feed grains, and cotton, S. 1888 adopts a new "package" of programs built around the single concept of target prices.

The target prices for the first year are

$2.28 per bushel for wheat, $1.53 per bushel for corn, and 43 cents per pound for cotton. For subsequent years, these target prices will be adjusted each year in relation to a "cost of production" index, which would reflect changes in interest rates, taxes, wage rates and production items.

Prices to the farmer for wheat, feed grains, and cotton will be underwritten at the target levels for full projected U.S. needs—for both domestic consumption and export. If the average market price during the first 5 months of the marketing season is below the target price, a production incentive payment will be made to the farmer equal to the difference between the target price and the average market price actually received by farmers. These payments, if any, will be direct payments; the bill makes no change in the loan levels of $1 per bushel for corn, $1.25 per bushel for wheat, and 19.5 cents per pound for cotton.

Mr. President, this direct payment-target price aspect of the bill is intentionally designed to protect the farmer from disastrously low prices and, at the same time, to protect the interests of consumers and taxpayers:

It protects the farmer from ruinously low prices because farmers are guaranteed the target levels of prices for that portion of their production that is required to meet national needs;

It protects consumers because the direct payment approach allows the prices of cotton, wheat, and feed grains to reach their natural levels in the market place. Indeed, the bill is designed to encourage lower prices to consumers, because the target price guarantees are an incentive to farmers to produce abundantly to meet the full demand for food and fiber;

It protects the interest of broiler, livestock, and dairy farmers in reasonably-priced feedstuffs. By encouraging ample production of feed grains, and by refraining from any increase in the loan rates, the broiler, livestock and dairy farmers should be assured of feed at lower prices.

This is of particular concern to my State of Alabama, which is the third-highest broiler producing state in the nation.

The bill's impact on feedstuffs also will be a strong aid to consumers, since lower feed costs to livestock growers should be passed along to consumers in the form of lower meat and poultry prices.

Furthermore, because S. 1888 would allow prices of feed grains, wheat and cotton to reflect natural market conditions, it would not hamper the export of United States farm products. Under this bill, the United States would not price itself out of competition in world markets, and large export subsidies would not be required to market our produce abroad.

And, S. 1888 would accomplish these objectives without placing an excessive burden upon the taxpayer. It is difficult to predict exact costs because the amount of payments will depend upon actual market prices. But assuming a 1.657 billion bushel wheat crop with 95 percent program participation by farmers; a 5.805 billion bushel corn crop with 85 percent participation; and 5.145 billion pound cotton crop with 98 percent participation, the cost of the program based upon market prices during the recent 5-month period, December 1972 to April 1973, would be:

[*In millions*]

Wheat	$125.9
Corn	690.2
Cotton	931.2
Total	1,747.3

Grain sorghum could push the total cost for feed grains up another $115 million—about one-sixth of corn. This would mean a total cost for wheat, feed grains, cotton below $1.9 billion, or about one-half of the 1972 program costs. Payments to farmers under the 1972 feed grain, wheat, cotton programs totaled some $3.7 billion.

Program costs could be lower. Indeed, if current market prices prevailed in 1974, for example, the total cost of the feed grain, wheat, cotton package would be minimal. There would be virtually no cost.

Of course, the program could and probably would cost more in some years, but to the extent that it did it would mean lower prices to consumers at the same time.

S. 1888 includes authority for cropland to be set aside as required from year to year, and there is standby authority for the Secretary of Agriculture to apply commodity-by-commodity production controls if necessary to prevent market glut.

I am pleased that your Agricultural Committee rejected the administration's proposal for a general cropland retirement program, which approved to be disastrous for farmers and taxpayers when attempted during the 1950's. One experiment with Bensonism was enough for our farmers and for our Nation.

Title II of S. 1888, the dairy section, is very important to my State of Alabama and to the Nation. The bill contains several technical amendments to class I and seasonal base plan authority, which will enable cooperatives to market milk in an orderly fashion. It is essential that the cooperatives have authority to manage bases and production, so that they can direct fluid milk to the marketing areas where it is needed to meet consumer demand. And this affords to dairy farmers in Alabama and elsewhere a measure of badly-needed price and income stability and protection.

Title II also provides for milk price support at not less than 80 percent of parity for the current marketing year, and restricts dairy imports to 2 percent of domestic consumption. In view of escalating production costs faced by our dairy farmers, these are badly-needed measures to maintain a healthy and viable economic climate in dairying.

The section of this bill on cotton insect eradication is particularly important to my State of Alabama. The bill authorizes and directs the Secretary of Agriculture to carry out programs to destroy and eliminate cotton boll weevils, pink boll worms and other major cotton insects in infested areas. Cotton producers would share with the Federal Government the cost of the eradication program.

Such program is vital to the cotton producers of Alabama, because tens of dollars are added to his production costs of each bale of cotton to control cotton insects. Our farmers will be able to produce cotton much more efficiently if the boll weevil and boll worm are eradicated. And the environment will be better protected in the process, since volume application of chemical insecticides would no longer be necessary each year.

A similar eradication program has been accomplished for the screw worm in livestock, so the cotton insect eradication program proposed in S. 1888 is feasible. I hope that we can enact and fully fund this program, so that the eradication effort can get underway without delay.

Mr. President, we are currently in an unsettled period, when it is difficult to predict whether the next few years will carry with them shortages of food and fiber, or a return to market glut and ruinously low farm prices and income. S. 1888 is intentionally designed to help us to cope with either of these eventualities.

I would hope that the Senate will pass this measure, so that the carefully designed and balanced package that S. 1888 represents can serve farmers, consumers, and the Nation in the years ahead.

A healthy agricultural sector is vital to rural revitalization in the United States. Farming is the No. 1 employment activity in rural America, and the family farm pattern of agriculture is the nucleus around which rural development and geographical balance of population must be built and achieved. We cannot stop the migration of people into urban areas—and the aggravation of urban problems that greater congestion of population causes—unless we strengthen farming and agriculture in the countryside.

Mr. President, today the demand for food and fiber is greater than ever before. People are eating more, and more people are eating. There are about 70 more people sitting around the American family table now than when I started this speech. This time tomorrow there will be 6,500 more. That adds up to over 2 million a year. And the world population increases that much every month. These are mouths that must be fed if democracy is to continue to flourish at home and be strengthened and extended abroad.

Shall we eat and wear less in the days to come, or shall we raise more products as the need for them arises? The answer is obvious. This will present an even greater challenge to the American farmer who up until now, has been able to sustain us by providing us, often at sacrifice to himself, with the food and fiber necessary to life itself. But the continued ability of our farmer to feed and clothe the growing population of our Nation and

much of a hungry world is contingent upon a sound and sensible agricultural policy which will maintain and improve farm income.

We must never forget that the strength and prosperity of agriculture is basic to the strength and prosperity of our country. In times of crisis and war, the American farmer has toiled selflessly to produce the goods to meet the needs of the hour. The farmer has never failed our country, and now the country must not fail him.

Mr. TUNNEY. Mr. President, the Agriculture and Consumer Protection Act of 1973 provides a much needed opportunity to examine the Nation's farm policies. The problems we face are by no means new. Since 1933, the Federal Government has attempted to stabilize the flow of food to consumers. The intent of these efforts—whatever the words used to justify them—traditionally was based on the fact that large and important parts of the farm economy are inherently unstable. This has been especially true of cotton and wheat—where prices jump or plunge at the slightest change in demand.

While it is true that we now have more large farms, we must keep in mind that a substantial element of the agricultural economy remains in the hands of relatively small business. These small farms would founder without reasonable price support.

Until recently, agricultural price supports have been generally successful, and problems have resulted, not from program failure per se, but from poor management. This does not mean that price supports should continue unchanged.

It is both impractical and unrealistic to talk about "permanent programs." All programs require periodic review and evaluation. Future price support payments must be examined in the context of developing trends in the world market. Today, when agricultural prices are skyrocketing, is a good time to look to ward reducing governmental intervention over the agricultural economy by letting the world free markets set prices. Essentially this is what the committee bill does. It sets "target prices" for commodities: 43 cents per pound for cotton, $2.28 per bushel for wheat, and $1.53 per bushel for corn. While prices remain at or above these target levels, no payments are made. This approach is consonant with my belief that payments simply are not justifiable when prices are high. The Consumer Federation of America, in their statement of full support for the committee bill, pointed out that the target price strikes the necessary balance between the consumer's concern with high food prices and the farmer's need for an adequate income. They accurately stated that the legislation's potential effect on meat prices may be the best example of the bill's importance to consumers. High feed prices mean high meat prices and increased production of feed grains would be reflected in cheaper prices at the meat counter.

The committee bill recognizes, however, that when prices fall, flexible price protection is a vital necessity. Only when prices, averaged over a 5-month period, fall below target levels, would the Government stabilize the economy through direct payments. Again, because large sections of the agricultural economy are unstable, an immediate phaseout or abrupt elimination of support would result in wide price fluctuations. Ultimately, many of the smaller producers would be forced out of farming because they lack adequate capital.

Mr. President, there continues to be some misunderstanding over the relationship between the level of the subsidy payment and, unfortunately, the consumer prices. The administration's sleight-of-hand and questionable tactics with the Soviet wheat deal has left many people with the impression that all stabilization efforts are aimed at reducing production.

In no way is the guaranteed "target price" of S. 1888 intended to reduce production, thereby increasing prices. The cotton price guarantee, for example, is intended to increase the supply of cotton at lower prices for domestic consumers. In addition, more cotton will be available for export, thus helping our balance of payments. If cotton and other agricultural commodities are to be exported in greater quantities, then production must be strongly encouraged—and this means that the farmers need some protection against the economic uncertainties of wide price fluctuations.

Eliot Janeway stated before the Senate Finance Committee on June 1 that "American agriculture is arming American policy with unique and unprecedented strength." He elaborated that agriculture represents the same resource to America as oil to the Middle East and that we must expand production for marketing abroad.

It is expected that in 1973, nearly 4.7 million bales of cotton will be exported. At $175 per bale, this will mean $882 million in exchange. For California, the cotton industry will have over $350 million in sales in 1973, creating over $1 million in new business including equipment, retail sales, and purchasing power.

I have stated in the past that I favor a gradual phaseout of the support program. But I do not think that 3 years is enough time to establish independent stability of the agricultural economy. If the market remains as it is—and there is little doubt that it will—no payments will be made next year. It is unlikely that there will be payments the following year. The bill only provides a guarantee to the farmer who is keeping his production high that if prices fall drastically, he will stay in business. For the sake of producer and consumer alike, this is not an unreasonable compromise.

AMENDMENT NO. 176

Mr. KENNEDY. Mr. President, I send to the desk amendment No. 176, as modified, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further read-of the amendment be dispensed with.

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

The amendment as modified, is as follows:

On page 37, line 7, delete line 7 through line 20 and insert the following:

(b) By amending subsection (e) of section 3 to read as follows:

"The term 'household' shall mean a group of related individuals (and their foster children) other than migrants and other laborers, public assistance recipients, and unemployed persons over thirty years of age subject to section 5c who are not residents of an institution or boarding house but are living as one economic unit whether or not they occupy an entire dwelling unit and for whom food is purchased in common.

"The term 'household' shall also mean (1) a single individual living alone who purchases and prepares food for home consumption, or (2) an elderly person who meets the requirements of section 10(h) of this Act."

(c) By adding at the end of section 3, the following:

"(n) The term 'program of distribution of federally donated foods' means any program promulgated pursuant to section 32 of Public Law 74–320, as amended, or section 416 of the Agricultural Act of 1949, as amended, that involves the distribution of federally donated foods to households.

"(o) The term 'paraprofessional' means a lay person who operates under the direction and supervision of a professionally trained social worker."

(d) By amending subsection (b) of section 5 to read as follows:

"(b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program and the program of distribution of federally donated foods, and that shall apply wherever those programs are in effect, and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary. The standards established by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and nonliquid assets, to be used as criteria of eligibility. However, in no event shall the resource eligibility criteria, for liqiud and nonliquid assets, established by the Secretary be less than $3,000 for each individual sixty years of age or over, except that the Secretary shall establish a uniform limitation of $5,000 for all households in political subdivisions that are experiencing economic disasters, including rates of unemployment substantially higher than the national average. Any household which includes a member who has reached his eighteenth birthday and who is claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household, shall be ineligible to participate in any food stamp program established pursuant to this Act during the tax period such dependency is claimed and for a period of one year after expiration of such tax period. The Secretary may also establish temporary emergency standards of eligibility, without regard to income and other financial resources, for households that are the victims of a mechanical disaster which disrupts the distribution of coupons, and for households that are victims of a disaster which disrupted commercial channels of food distribution when he determines that

such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: *Provided*, That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Islands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories; except that in no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States. Notwithstanding any other provision of law, households in which members are included in a federally aided public assistance program pursuant to title XVI of the Social Security Act shall be eligible to participate in the food stamp program or the program of distribution of federally donated foods if they satisfy the appropriate income and resources eligibility criteria."

(e) By adding at the end of subsection (a) of section 7, the following: "*Provided*, That the Secretary shall raise the face value of the coupon allotment to be issued to a household that includes a person who is medically certified as requiring a special diet by such amount as the Secretary shall establish for each such person in order to assure a nutritionally adequate diet."

(f) By amending subsections (c) and (e) of section 10 to read as follows:

"(c) Each household desiring to participate in the food stamp program shall be certified for eligibility solely upon completion of a simplified application form seeking data on sources of income, deductions, household size, and composition coupled with the presentation of reasonably available documentation verifying income, which application shall be acted upon and eligibility certified or denied within fifteen days following the date upon which the request for food stamp assistance is initially made, except that any household which is receiving public assistance from any State under a program approved pursuant to title IV of the Social Security Act and which makes application for the benefits of this Act shall be certified for eligibility upon request.

"In the case of any application with respect to which certification or denial is not made within fifteen days after the date on which such application is filed, provide temporary certification of eligibility to such household until a final decision on the merits of the application can be made.

"The income of any household earned on a seasonal basis shall be averaged on a three-, six-, or twelve-month basis as the applicant may elect, and certification for eligibility of such household shall be made for a like period of time. Certification of a household as eligible in any political subdivision shall, in the event of removal of such household to another political subdivision in which the food stamp program is operating, remain valid for participation in the food stamp program for a period of sixty days from the date of such removal. No household's certification shall lapse or be otherwise adversely affected except pursuant to a fair hearing held in accordance with subsection (e) of this section or because of a failure to comply with the reporting provision below. Each participating household whose income or resources increase or whose size decreases or whose composition is affected in such a manner as to lower the coupon allotment value to which it is entitled pursuant to section 7(a) of this Act, shall be required, no later than thirty days after the close of each quarter in which such change of circumstances occurs, to submit a report to the appropriate State agency containing such information, including the reporting of such change, and in such form as the Secretary may prescribe in order to enable the State agency to determine the household's continued eligibility for the program and the value of the coupon allotment such household should receive and the amount it should be charged therefor pursuant to section 7 of this Act. In the event that any household required to submit such a report fails to do so, such household shall not be eligible to participate in the program so long as such failure continues.

"(e) The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such State intends to conduct the program and the Secretary shall, upon approval of the plan, permit the State or any political subdivision within such State which wishes to institute the program to do so within ninety days of requesting institution of the program, unless the State or political subdivision wishes to delay such institution. Such plan of operation shall provide, among such other provisions as may by regulation be required the following: (1) the use of the eligibility standards promulgated by the Secretary under section 5 of this Act and the certification procedures specified in subsection (c) of this section; (2) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; (3) pursuant to guidelines issued by the Secretary employment by the State agency in each political subdivision in which the program is in effect of one worker (including paraprofessionals) per year for each one thousand participating households for the purpose of undertaking the certification of applicant households, and one worker (including paraprofessionals) per year for each five hundred households in that subdivision whose incomes are under the income poverty guidelines reported by the Census Bureau of the United States Department of Commerce, but who are not participating in the food stamp program, for the purpose of informing such households of the availability and benefits of the program and encouraging their participation; (4) granting a fair hearing, and prompt determination thereafter, to any household aggrieved by any action of a State agency under any provision of its plan of operation as it affects the participation of such household in the program, including the granting of Federal reimbursable retroactive relief wherever appropriate by reducing the amount to be charged for the household's coupon allotment pursuant to section 7(b) of this Act, if any; (5) issuance of coupon allotments no less often than two times per month; (6) notwithstanding any other provision of law, the institution of procedures under which any household participating in the program shall be entitled, if it so elects, to have the charges, if any, for its coupon allotment deducted from any grant or payment such household may be entitled to receive under title IV of the Social Security Act and have its coupon allotment distributed to it with such grant or payment; and (7) the submission of such reports and other information as may from time to time be required."

(g) By amending section 15 to read as follows:

"SEC. 15. Each State shall be responsible for financing, from funds available to the State or political subdivision thereof, 20 per centum of the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act. The Secretary shall pay to each State 80 per centum of such costs, including, but not limited to, the certification of households; the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; the issuance of such coupons to eligible households and the control and accounting thereof; and the performance of outreach and fair hearing requirements contained in subsections (e)(3) and (e)(4) of section 10 of this Act."

(h) By striking out in the first sentence of subsection (a) of section 16, "June 30, 1972, and June 30, 1973" and inserting in lieu thereof "June 30, 1972, through June 30, 1978", and by inserting at the end of the first sentence of subsection (a) the following new sentence: "Sums appropriated under the provisions of this Act shall, notwithstanding the provisions of any other law, continue to remain available until expended.", by deleting subsection (b), and by relettering subsection (c) as (b) and subsection (d) as (c).

Mr. KENNEDY. Mr. President, it is my intention to lay this amendment before the Senate and have it voted on tomorrow. However, while the Senators are present, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I intend to have an opportunity to explain the amendment tomorrow. I understand that we are on controlled time now with 20 minutes allowed for the sponsor of the amendment.

The amendment is sent to the desk on behalf of myself, the distinguished Senator from New Jersey (Mr. CASE), the distinguished senior Senator from Iowa (Mr. HUGHES), the distinguished junior Senator from Iowa (Mr. CLARK), and the distinguished Senator from New Jersey (Mr. WILLIAMS).

Mr. President, I ask unanimous consent that the Senators I have just mentioned be added as cosponsors.

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

Mr. KENNEDY. Mr. President, I intend to discuss this matter tomorrow and the Senate will then vote on it.

May we have an understanding with the manager of the bill that we will adjust the time tomorrow morning when the Senate convenes? I yield a minute or 2 minutes to the assistant majority leader so that the Senators present will know about this matter.

Mr. BAYH. Mr. President, I ask unanimous consent that immediately following the vote on the Kennedy amendment tomorrow, the Bayh amendment dealing with the limitation on farm payments, amendment No. 163, be the next item considered by the Senate.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I do not think there will be any objection to that from the other side of the aisle; it is merely a request that the amendment by Mr. BAYH be in order immediately upon the disposition of the amendment by Mr. KENNEDY. The distinguished Senator from Indiana could obtain recognition at that time in any event, and call up his amendment.

Mr. BAYH. Mr. President, I withdraw my request.

Mr. ROBERT C. BYRD. I thank the Senator for doing that.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged against the amendment or the bill for the remainder of the day.

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

Mr. KENNEDY. Mr. President, as I understand it, my amendment will be the first order of business. The yeas and nays have been ordered, and time will start running tomorrow.

The PRESIDING OFFICER. The Senator is correct.

ORDER FOR ADJOURNMENT TO 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until the hour of 9 a.m. tomorrow.

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, the Senate will resume the consideration of the unfinished business, S. 1888, at 10 o'clock tomorrow morning.

ORDER FOR RECOGNITION OF SENATORS HOLLINGS, PROXMIRE, MONTOYA, AND HARRY F. BYRD, JR. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders have been recognized under the standing order on tomorrow, the following Senators be recognized, each for 15 minutes and in the order stated: Senators HOLLINGS, PROXMIRE, MONTOYA, and HARRY F. BYRD, JR.

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

ORDER FOR THE SENATE TO RESUME CONSIDERATION OF THE UNFINISHED BUSINESS, S. 1888 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 10 a.m. tomorrow the Senate proceed to the consideration of the unfinished business, S. 1888.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will read the roll.

The legislative clerk proceeded to call the roll.

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

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

RELIEF OF CERTAIN FORMER EMPLOYEES OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4704, which is at the desk.

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

The legislative clerk read as follows:

H.R. 4704, a bill for the relief of certain former employees of the Securities and Exchange Commission.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the bill (H.R. 4704) was considered, ordered to a third reading, read the third time, and passed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 9 a.m. 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: Senators HOLLINGS, PROXMIRE, MONTOYA, and HARRY F. BYRD, JR.

At the conclusion of the orders for the recognition of Senators, the Senate will resume its consideration of the unfinished business, S. 1888. The pending question at that time will be on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY), on which the yeas and nays have been ordered.

There will be several yea-and-nay votes tomorrow. The first yea-and-nay vote could occur as early as 10:25 a.m., and the vote on passage of the bill will occur not later than the hour of 2:30 p.m. tomorrow.

ADJOURNMENT TO 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow.

The motion was agreed to; and at 5:52 p.m. the Senate adjourned until tomorrow, Friday, June 8, 1973, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 7, 1973:

CIVIL SERVICE COMMISSION

Robert E. Hampton, of Maryland, to be a Civil Service Commissioner for the term of 6 years expiring March 1, 1979, reappointment.

U.S. TARIFF COMMISSION

George M. Moore, of Maryland, to be a Member of the U.S. Tariff Commission for the term expiring June 16, 1979, reappointment.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sheldon B. Lubar, of Wisconsin, to be an Assistant Secretary of Housing and Urban Development, vice Eugene A. Gulledge, resigned.

EXPORT-IMPORT BANK OF THE UNITED STATES

Mitchell Kobelinski, of Illinois, to be a Member of the Board of Directors of the Export-Import Bank of the United States, vice Tom Lilley, resigned.

IN THE NAVY

The following-named midshipmen—Naval Academy—to be permanent ensigns in the line or staff corps of the Navy subject to qualification therefor as provided by law:

Steven A. Klein
David W. Perrich
John D. Rush
James E. Russell
William E. Short, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 7, 1973:

DEPARTMENT OF LABOR

Carmen Maymi, of the District of Columbia, to be Director of the Women's Bureau, Department of Labor.

NATIONAL MEDIATION BOARD

David H. Stowe, of Maryland, to be a member of the National Mediation Board for the term expiring July 1, 1976.

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

Robert L. DuPont, of Maryland, to be Director of the Special Action Office for Drug Abuse Prevention.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be members of the National Council on Educational Research for the terms indicated:

FOR A TERM OF 1 YEAR

James S. Coleman, of Maryland.
Vincent J. McCoola, of Pennsylvania.
Vera M. Martinez, of California.
Carl H. Pforzheimer, Jr., of New York.
Wilson Riles, of California.

FOR A TERM OF 2 YEARS

William O. Baker, of New Jersey.
T. H. Bell, of Utah.
Dominic J. Guzzetta, of Ohio.
Charles A. LeMaistre, of Texas.
W. Allen Wallis, of New York.

FOR A TERM OF 3 YEARS

Patrick E. Haggerty, of Texas.
Ralph M. Besse, of Ohio.
John E. Corbally, Jr., of Illinois.
Ruth Hurd Minor, of New Jersey.
John C. Weaver, of Wisconsin.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Phillip C. Johnson, to be commander, and ending Denis A. Redwine, to be lieutenant (jg.), which nominations were received by the Senate and appeared in the Congressional Record on May 16, 1973.

IN THE COAST GUARD

Coast Guard nominations beginning Ronald L. Endsley, to be chief warrant officer, W-2, and ending Harvey F. Moore, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on May 29, 1973.