importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community; to the Committee on Foreign Affairs.

By Mr. REES:

H.R. 8560. A bill to amend the Economic Stabilization Act of 1970; to the Committee on Banking and Currency.

By Mr. UDALL (for himself, Mr. BLATNIK, and Mr. ANDERSON of Illinois):

H.R. 8561. A bill to authorize the construction of transmission facilities for delivery to the continental United States of petroleum reserves located on the North Slope of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROOMFIELD:

H.J. Res. 606. Joint resolution proposing an amendment to the Constitution of the United States relating to the term of office of President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. WALSH (for himself and Mr. HARRINGTON):

H. Con. Res. 245. Concurrent resolution expressing the sense of the Congress with respect to the sale or abandonment of certain railroad lines; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BOWEN introduced a bill (H.R. 8562) for the relief of Mrs. Bronson Clayton, which was referred to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

244. The SPEAKER presented a memorial of the Legislature of the State of California, relative to retirement benefits of prisoners of war; to the Committee on Armed Services.

SENATE—*Friday, June 8, 1973*

The Senate met at 9 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

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

O God and Father of mankind, we thank Thee for Thy mercies which are new every morning. May we perform the duties of this day in the light of Thy truth. Give us a sharp conscience to monitor our thoughts and deeds according to Thy law. Keep us from paralyzing fear and embittered cynicism. May we never abdicate the highest and the holiest way made known in Thy word. In the fever of these tormented times take from our souls the strain and stress and let our ordered lives confess the beauty of Thy peace. Make us partners with Thee in the building of a world where truth and righteousness shall reign supremely, and love and peace shall be victorious.

We pray in the name of that One who is the truth and the way. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, June 7, 1973, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 180, 181, and 185, all three of which have been cleared on both sides of the aisle.

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

METHADONE DIVERSION CONTROL ACT OF 1973

The Senate proceeded to consider the bill (S. 1115) to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Methadone Diversion Control Act of 1973".

SEC. 2. Section 101 of the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 801) is amended by adding the following after paragraph (7):

"(8) The diversion of narcotic drugs, particularly methadone, used in the treatment of addicts dependent upon heroin or other morphine-like drugs into other than legitimate medical, scientific, or industrial channels is detrimental to the health and general welfare of the American people."

SEC. 3. (a) Section 102 of the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 802), is amended by adding the following after paragraph (9):

"(10) The term 'detoxification treatment' means the furnishing, for a period not in excess of twenty-one days, of a narcotic drug in decreasing doses to an addict in order to alleviate pain and other adverse physiological effects incident to withdrawal from the habitual use of a narcotic drug, as a method of bringing the addict to a drug-free state within such period."

(b) Section 102 of such Act is amended by adding the following after paragraph (12):

"(14) The term 'emergency treatment' means the administration of a narcotic drug to an addict when necessary to alleviate pain incident to withdrawal from a narcotic drug while arrangements are made for referral of the addict to a treatment program and the administration of a narcotic drug to detoxify a patient as a necessary adjunct to medical and surgical treatment of not more than twenty-one days duration in a hospital."

(c) Section 102 of such Act is amended by adding the following after paragraph (13):

"(16) The term "maintenance treatment means the furnishing, for a period in excess of twenty-one days, of a narcotic drug in the treatment of an addict for dependence upon heroin or other morphine-like drugs."

(d) Section 102, of such Act is amended by redesignating paragraphs (10), (11), and (12) as paragraphs (11), (12), and (13) respectively; by redesignating paragraph (13) as paragraph (15); and by redesignating paragraphs (14) through (26) as pragraphs (17) through (29), respectively."

SEC. 4. Section 303 of the Controlled Substances Act (84 Stat. 1253; 21 U.S.C. 823) is amended by adding the following after subsection (f):

"(g) Practitioners who dispense or administer narcotic drugs in a treatment program for addicts shall obtain annually a separate registration for that purpose. The registration may be for maintenance treatment, detoxification treatment, or both. The Attorney General shall grant a registration under this subsection if the applicant—

"(1) is determined by the Secretary to be qualified to engage in such treatment under standards set by the Secretary, and

"(2) is determined by the Attorney General to be prepared to comply with standards imposed by the Attorney General relating to the security of the narcotic drug stocks, the maintenance of records in accordance with section 307, and with the concurrence of the Secretary, the quantities of drugs which may be provided for unsupervised use."

SEC. 5. Section 304(a) of the Controlled Substances Act (84 Stat. 1255; 21 U.S.C. 24 (a)) is amended (A) by striking "or" at the end of paragraph (2); (B) by striking the period at the end of paragraph (3) and inserting "; or"; and (C) by adding the following new paragraph at the end:

"(4) has failed to comply with standards imposed pursuant to section 303(g). Such a failure may be treated as grounds for immediate suspension of registration under subsection (d) of this section. Action under this paragraph is entirely without prejudice to any other registration to utilize narcotic drugs in other types of medical practice."

SEC. 6. Section 307(c)(1)(A) of the Controlled Substances Act (84 Stat. 1258; 21 U.S.C. 827(c)(1)(A)) is amended by adding the following after the word "practice": "except in the treatment of narcotic addicts in accordance with registration under section 309(g), or in emergency treatment as defined in section 102(14);".

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the bill by the distinguished Senator from Nebraska.

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

STATEMENT BY SENATOR HRUSKA

I support the passage of S. 1115, the Narcotic Addict Treatment Act of 1973.

S. 1115 was proposed by the Administration and introduced on March 6, 1973, by my distinguished colleague from Kentucky Senator Cook. I commend the foresight and interest which Senator Cook and the Chairman of the Juvenile Delinquency Subcommittee [Mr. Bayh] have shown in this important matter.

The purpose of this bill is to provide a means of regulating the use of narcotic drugs in the treatment of narcotic addiction. Its principal aim is to require a special registra-

tion of physicians who administer narcotics for drug treatment and to establish a sound legal basis for imposing safeguards to protect the community against the diversion of narcotic drugs into illicit traffic.

Drug addiction has existed as a social, medical and law enforcement problem in this nation for a long time. The current scope of the problem is enormous. For example, it is estimated that there are now between 300,000 and 500,000 heroin addicts nationwide.

The federal government has made noteworthy steps to reduce the severity of the problem in recent years. During the past four and one-half years, President Nixon has devoted considerable time and attention to the entire subject of drug abuse. He has indicated that his second term will see this effort expanded.

HEARINGS HELD

The Juvenile Delinquency Subcommittee has held an ambitious set of hearings on this bill. In the past several months the Subcommittee has sat in the cities of Los Angeles, San Francisco, Omaha, Indianapolis, Louisville, and Washington, D.C. A total of 61 witnesses appeared. The witnesses included law enforcement authorities, physicians, drug rehabilitation experts, and various civic and community leaders.

A vast majority of these witnesses, including representatives of the Bureau of Narcotics and Dangerous Drugs and the Food and Drug Administration, testified in full support of S. 1115 in its present form.

The evidence which the Subcommittee obtained during these hearings has greatly helped the members of the Judiciary Committee in reporting suitable legislation to deal with the problems involved in the use of narcotics in drug treatment programs.

USE AND ABUSE OF METHADONE

There are a number of treatment modalities that have been recently developed for the rehabilitation of heroin addicts. One of the major approaches has been the use of the drug methadone for both detoxification and maintenance.

Methadone is a narcotic drug currently listed in Schedule II of the Controlled Substances Act of 1970, and has been subject to narcotic controls in this country since its original introduction following the Second World War.

Although it is dangerously addictive, methadone has been used successfully to detoxify or maintain heroin addicts. It acts to suppress the craving for heroin and provides at least for some addicts a chance to lead a productive life in the community.

It is important to emphasize, however, that methadone alone is not a cure for drug addiction and its attendant problems. Any plan to use methadone, or any other narcotic alone, as a simple, inexpensive, large-scale answer to the drug problem is ill-conceived. Methadone must be used in conjunction with other clinical support facilities such as counseling, in order to assist the addict toward a stabilized and useful existence.

Although methadone has been used for about three decades, this use was previously confined to one of short duration within an institutional setting. The current situation whereby addicts are supplied with methadone continuously, on an ambulatory basis, is without precedent since the close of the morphine and heroin clinics in the early 1920s. Traditionally, both criminal and regulatory law has been based on the presumption that no narcotic drugs of any kind would be made available to addict patients in this fashion.

This situation has changed radically and suddenly within the course of a few short years. Since the mid-60s the number and size of methadone maintenance programs have grown to the point where today approximately 77,000 individuals are enrolled in approximately 450 programs around the country under the auspices of every level of government.

Today, methadone is the most prevalent drug used in such programs.

Over two-thirds of the narcotic addicts presently undergoing treatment are involved in methadone programs. However, the rapid expansion of methadone programs and the quantity of methadone dispensed has also provided an increased opportunity for the illegal use of the drug. It is, therefore, not surprising that government is experiencing difficulty in imposing necessary controls.

Methadone is now readily available in the illicit markets of every major city in the United States. Although federal authorities lack precise evidence on the degree of this availability, there are several reliable indications that it is widespread. For example, in a recent study of 95 randomly selected addicts in the City of New York, it was found that 92 percent had been offered the opportunity to purchase illicit methadone within the preceding six months. Moreover, 13 percent reported having sold illicit methadone themselves.

Another alarming indicator of the growth of this new problem has been the sudden, marked upsurge in methadone overdose deaths around the country. This evidence clearly indicates the rapid growth of a new and previously non-existent danger.

SIGNIFICANT PROBLEMS

In the wage of this rapid expansion in the use and abuse of methadone, two significant problems have arisen.

First, there is a medical problem involving the clinical methodology which should be employed in dispensing methadone. Clearly, we cannot tolerate insincere medical practitioners who provide large numbers of addicts with methadone for profit and, in effect, function as mere "filling stations" for addicts without any thought of the best interests of the community or the patient. On the other hand, with regard to the sincere and dedicated personnel who are attempting to utilize methadone in a positive fashion, there are questions involving proper dosages, supportive services, and all of the other aspects of treatment which are the subject of medical controversy. The recent FDA regulations on methadone represent an attempt to deal effectively with this aspect of the overall situation.

The second major problem that has developed with the advent of widespread methadone use represents a challenge to our law enforcement community at the federal, state and local level. This is the shocking diversion of methadone from lawful to illicit channels. Because of the drug's potential for abuse, we must do all that is humanly possible to guarantee that it is kept within valid medical confines.

The drugs in the illicit traffic derive from three clearly identified sources though we are unable to state the percentage which each represents of the total. The sources are (1) private physicians engaged in the promiscuous distribution and prescription of methadone for profit; (2) thefts and diversions from poorly organized and loosely operated programs, and (3) small but numerous sales of individual medication which has been dispensed to patients for unsupervised consumption. The latter practice is referred to as "carrying privileges."

PROVISIONS OF S. 1115

S. 1115 is an attempt to curb the flow of illicit methadone and other narcotic drugs providing that all physicians using narcotic drugs for the treatment of addicts be required to register separately in addition to any other registration that they may have for other medical purposes. Eligibility for this registration would be predicated on two requirements: (1) that the physician meet the medical standards prescribed by the Secretary, HEW, for the type of treatment program he intends to conduct, and (2) that he meet security standards which have been determined by the Attorney General as necessary to safeguard against diversion. An exception to this requirement is provided for the use of such drugs in an emergency situation.

The establishment of medical standards by the Secretary does not require a new grant of authority; however, the establishment of appropriate security standards by the Attorney General does. These would include essentially such matters as the manner of storage of narcotic drug stocks, the nature and number of premises within a program where drugs may be dispensed, the qualification and screening of personnel who may be permitted to handle and dispense such medication, and limits on the quantity which may be permitted to leave the premises for unsupervised use.

If the registrant fails to maintain these standards, the registration would be revoked. Moreover, injunctive powers, civil fines, and recordkeeping violations currently provided under the law, could be brought to bear. The law would also provide for a compete record showing the flow of narcotic drugs from the time of their receipt to their ultimate delivery to the patient. The confidentiality of records identifying patients would be maintained except for their use in determining the compliance of the program with legal requirements.

Should a practitioner engage in such activities without registration, or after revocation of his registration, such acts would fall within the meaning of a distribution of narcotic drugs by a nonregistrant. This is a drug trafficking offense for which substantial felony penalties can be applied.

S. 1115 is designed to cover not only methadone, but narcotic drugs in general for two reasons. First, it has been found that abuses similar to those which have occured with methadone have also occurred with regard to other narcotic drugs. With the closing of existing loopholes in the use of methadone, unscrupulous practitioners may resort to the distribution of morphine or other narcotics as an alternative. Secondly, inclusion of narcotic drugs generally will also provide the flexibility necessary to anticipate new developments in drug treatment programs.

CONCLUSION

If properly regulated and controlled, maintenance and detoxification programs can provide a valid means to reduce and prevent addiction and its attendant problems. It is important to emphasize, however, that methadone alone is not a cure for heroin addiction. Drug treatment programs should assist addicts in working towards freedom from any drug dependence and permit these persons to become constructive members of society. Pressure for hastily developed and under-financed drug treatment programs must be avoided. The emphasis clearly must be on the quality of services rather than the number of persons served.

This legislation, if enacted, will provide an additional means for the federal government, in a joint effort by affected agencies, to assure that methadone is used properly in the treatment of narcotic addicts, while facilitating the prosecution of those who engage in the criminal distribution of legitimate narcotic drugs for profit.

I urge my colleagues to give their support to the pending bill.

The amendment was agreed to.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93-192), explaining the purposes of the measure.

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

COMMITTEE AMENDMENT

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Methadone Diversion Control Act of 1973".

SEC. 2. Section 101 of the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 801) is amended by adding the following after paragraph (7):

"(8) The diversion of narcotic drugs, particularly methadone, used in the treatment of addicts dependent upon heroin or other morphine-like drugs into other than legitimate medical, scientific or industrial channels is detrimental to the health and general welfare of the American people."

SEC. 3. (a) Section 102 of the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 802), is amended by adding the following after paragraph (9):

"(10) The term 'detoxification treatment' means the furnishing, for a period not in excess of twenty-one days, of a narcotic drug in decreasing doses to an addict in order to alleviate pain and other adverse physiological effects incident to withdrawal from the habitual use of a narcotic drug, as a method of bringing the addict to a drug free state within such period."

(b) Section 102 of such Act is amended by adding the following after paragraph (12):

"(14) The term 'emergency treatment' means the administration of a narcotic drug to an addict when necessary to alleviate pain incident to withdrawal from a narcotic drug while arrangements are made for referral of the addict to a treatment program and the administration of a narcotic drug to detoxify a patient as a necessary adjunct to medical and surgical treatment of not more than twenty-one days duration in a hospital."

(c) Section 102 of such Act is amended by adding the following after paragraph (13):

"(16) The term 'maintenance treatment' means the furnishing, for a period in excess of twenty-one days, of a narcotic drug in the treatment of an addict for dependence upon heroin or other morphine-like drugs."

(d) Section 102 of such Act is amended by redesignating paragraphs (10), (11) and (12) as paragraphs (11), (12) and (13) respectively; by redesignating paragraph (13) as paragraph (15); and by redesignating paragraphs (14) through (26) as paragraphs (17) through (29), respectively.

SEC. 4. Section 303 of the Controlled Substances Act (84 Stat. 1253; 21 U.S.C. 823) is amended by adding the following after subsection (f):

"(g) Practitioners who dispense or administer narcotic drugs in a treatment program for addicts shall obtain annually a separate registration for that purpose. The registration may be for maintenance treatment, detoxification treatment, or both. The Attorney General shall grant a registration under this subsection if the applicant—

"(1) is determined by the Secretary to be qualified to engage in such treatment under standards set by the Secretary, and

"(2) is determined by the Attorney General to be prepared to comply with standards imposed by the Attorney General relating to the security of the narcotic drug stocks, the maintenance of records in accordance with section 307, and with the concurrence of the Secretary, the quantities of drugs which may be provided for unsupervised use."

SEC. 5. Section 304(a) of the Controlled Substances Act (84 Stat. 1255; 21 U.S.C. 824 (a)) is amended (A) by striking "or" at the end of paragraph (2); (B) by striking the period at the end of paragraph (3) and inserting "; or"; and (C) by adding the following new paragraph at the end:

"(4) has failed to comply with standards imposed pursuant to section 303(g). Such a failure may be treated as grounds for immediate suspension of registration under subsection (d) of this section. Action under this paragraph is entirely without prejudice to any other registration to utilize narcotic drugs in other types of medical practice."

SEC. 6. Section 307(c)(1)(A) of the Controlled Substances Act (84 Stat. 1258; 21 U.S.C. 827(c)(1)(A)) is amended by adding the following after the word "practice": "except in the treatment of narcotic addicts in accordance with registration under section 303(g), or in emergency treatment as defined in section 102(14);"

PURPOSE

The Committee bill is designed to facilitate law enforcement agencies in their efforts to investigate and to curb the diversion and abuse of narcotic drugs used in the treatment of narcotic addicts.

To accomplish its purpose the committee bill, as amended, would do the following:

1. Provide definitions of "maintenance treatment," "detoxification treatment," and "emergency treatment" to enable the Attorney General to establish more specific and comprehensive regulatory control over the handling of narcotic drugs used in the treatment of narcotic addicts.

2. Require practitioners who dispense or administer narcotic drugs in the treatment of narcotic addicts to obtain a special registration predicated on the approval of treatment standards by the Secretary of Health, Education, and Welfare and the approval of security standards by the Attorney General.

3. Enable the Attorney General to deny, revoke, or suspend the special registration for failure to comply with the new standards.

4. Make the full range of civil remedies and felony penalties available under the Controlled Substances Act applicable to practitioners who provide narcotic drugs without obtaining the special registration, in violation of the registration, or after revocation of the registration.

5. Require the special registered practitioners to keep complete records of narcotic drugs directly administered to patients in their presence.

LEGISLATIVE HISTORY

92d Congress

On July 26, 1972, Senator Marlow W. Cook introduced S. 3846, an Administration bill, entitled the "Narcotic Addict Treatment Act of 1972." S. 3846 was similar to the Committee bill, S. 1115, as amended. The bill was referred to the Committee after which it was referred to the Subcommittee to Investigate Juvenile Delinquency, which has jurisdiction over the Controlled Substances Act. Hearings were conducted on November 14 and 16, 1972, in Los Angeles and San Francisco, California, respectively. A total of twenty-five witnesses presented testimony on S. 3846 and the related issues of methadone diversion and abuse.

93d Congress

On February 6, 1973, Senator Marlow W. Cook reintroduced S. 3846 as S. 778. S. 778 was referred to the Committee after which it was referred to the Subcomittee to Investigate Juvenile Delinquency. Hearings were conducted on February 8, 13, and 14, 1973, in Omaha, Nebraska; Louisville, Kentucky; and, Indianapolis, Indiana, respectively. Twenty-four witneses testified during these three days of hearings.

On March 6, 1973, S. 778 was reintroduced with amendments as S. 1115 by Senator Marlow W. Cook. This bill was referred to the Committee after which it was referred to the Subcommittee to Investigate Juvenile Delinquency. A total of twelve witnesses testified at the Subcommittee hearing on April 5, 1973, in Washington, D.C.

Subcommittee action

Following the conclusion of these hearings, the Subcommittee to Investigate Juvenile Delinquency met in executive session on May 21, 1973, to consider the bill. The Subcommittee unanimously reported to the Committee S. 1115, as amended, by Senator Birch Bayh.

Committee action

The Committee met on May 31, 1973, to consider S. 1115, as amended, and by a unanimous vote favorably reported the same.

EXTENT OF THE PROBLEM

The problems of narcotics traffic and addiction are not partisan concerns, but issues that transcend geographical, philosophical and political differences. The citizens of this country are all too familiar with the devastating effects of heroin on the individual addict, the family, and society as a whole. Bitter experience has taught us that there are no simple solutions to the problems of drug addiction.

There are a number of treatment modalities however, that have been developed during recent years which have had some degree of success in rehabilitating certain addicts. Therapeutic communities which provide intensive therapy, counseling, and peer group interaction have helped some addicts free themselves from heroin addiction. Other programs include the use of the drug methadone as part of the treatment approach, both for detoxification and for maintenance.

Methadone is a narcotic similar to heroin and morphine. Although it is dangerously addictive, methadone has been used successfully to detoxify or maintain heroin addicts. In maintenance programs methadone addiction is substituted for heroin addiction. The methadone acts to suppress the craving for heroin. The chronic addict can be stabilized and permitted to concentrate on rehabilitative efforts. For some addicts methadone can lead to a productive life in the community.

In 1968 there were fewer than 400 patients enrolled in methodane maintenance programs nationwide. A recent survey conducted in February, 1973, by the Special Action Office for Drug Abuse Prevention (SAODAP) estimated the number of patients on both Federal and non-federal methadone maintenance programs to be approximately 73,000. Since October, 1971, the approximate number of persons in Federally funded non-maintenance programs, detoxification and drug free, has increased from 10,000 to almost 40,000. A significant percentage of these persons are enrolled in methadone detoxification programs. Regulations promulgated by the Food and Drug Administration (37 Federal Register 26790, December 15, 1972) contemplate an even broader proliferation of methadone. As of February, 1973, 666 methadone treatment programs have filed protocols as required by the new regulations and an additional 138 applications are being processed. Thus, more than 800 programs may be dispensing methadone in the treatement of heroin addicts.

To meet the needs of the programs and that of private practitioners who dispense methadone to non-addicts for therapeutic purposes, production has increased tremendously. Since 1966, when only 242 pounds of methadone were manufactured, production has increased 2,265 percent to 5,724 pounds under the 1972 quota set by the Attorney General.

The rapid expansion of methadone programs and the quantity of methadone dispensed has simultaneously provided increased opportunity for diversion of methadone into the illicit market.

In many communities methadone is already widely available in the illicit market. In a survey of heroin addicts in New York City completed in 1972, Drs. James Inciardi and Carl Chambers found that of 95 randomly selected addicts with profiles typical of addicts in Yew York City, 92 percent had

been offered the opportunity to purchase illicit methadone within the six months preceeding the study; that 56 percent had purchased illicit methadone; and that 13 percent had sold methadone.

Dr. Robert Weppner of the Federal Research Center in Lexington, Kentucky, testified before the Subcommittee regarding his study of a sample of 336 addicts at the Lexington Center in 1971. Of the sample, 43 percent admitted to having used illicit methadone. Thirteen months later a second study of 469 addicts at the same facility showed the number of those admitting to the illegal use of methadone had increased to 52 percent. A majority of this sample revealed that they used methadone to obtain "a great high."

Although specific figures are not available on methadone arrests, the Uniform Crime Report reveals the State and local law enforcement arrests involving synthetic narcotics, including methadone as well as other drugs covered by S. 1115, as amended, have increased by 892 percent in a seven year period ending in 1971. In only the last four years these arrests have increased from 8,920 in calendar year 1968 to 26,040 in calendar year 1971.

Reports made to the Director of the Bureau of Narcotics and Dangerous Drugs (BNDD) show a dramatic increase in the thefts of legal narcotics. During the first 9 months of calendar year 1972, 55,537,942 dosage units of dangerous drugs were reported stolen. Narcotics accounted for 44 percent or 24,-284,964 dosage units. During the last three months of this period, 26,831,955 dosage units were reported stolen and of those reports 62 percent or 16,589.796 dosage units were legal narcotics, covered by S. 1115, as amended.

The Bureau of Narcotics and Dangerous Drugs is finding an ever increasing amount of methadone and other synthetic narcotics on the streets. During fiscal year 1971, BNDD undercover agents purchased or seized a total of 36,468 dosage units of methadone from various illicit sources. The comparable figure for fiscal year 1972 was 155,290 dosage units, and for fiscal year 1973 through December (six months), the comparable figure was 201,720 dosage units.

In the summer of 1972 the BNDD office of Scientific Support initiated a program called Project DAWN, (Drug Abuse Warning Network) for the purpose of gathering a wide range of data indicating the relative frequency of abuse of various substances. Under the DAWN project, data is pooled from 38 Standard Metropolitan Statistical Areas across the country from such diverse sources as hospital emergency room and in-patient facilities, student health centers, county medical examiners and coroners, and community drug crisis centers. The reports received since September of 1972, indicate a distinct pattern with regard to methadone. Of approximately 325 substances on which data is collected, methadone ranks 7th in frequency of reported incidents. Methadone incidents in the sample increased from 166 in September, 1972, to 348 in January, 1973. Incidents involving methadone constitute an increasing proportion of all narcotic reports. During the month of September, the number of reports involving methadone was 19.7 percent of the number of heroin reports; and this percentage increased to 27.3 percent in October, 35.9 percent in November, 37.9 percent in December, and 34 percent in January. While the number of heroin reports appears to have stabilized somewhat the number of reports involving methadone is continuing to increase.

The extent to which methadone is illicitly available was graphically illustrated in testimony by John E. Ingersol, Director of BNDD, before the Subcommittee to Investigate Juvenile Delinquency, on April 5, 1973, when he explained in part as follows:

"In August of 1972, in recognition of the increasing seriousness of methadone diversion, I ordered a special street level effort by BNDD agents in selected cities to gather intelligence on methadone availability within these communities. The findings, which we have not previously disclosed, may be briefly summarized as follows:

"In New York City, agents found methadone to be readily available in all forms—tablet, disket, and liquid. One undercover contact was able to purchase 10 doses of methadone within one hour without so much as moving from the street corner. In another locality in Manhattan, 37 doses were obtained within one hour and a half. The prices ranged from $5 to $6 per 40 mg. disket with a higher price of $10 for liquid vials containing perhaps 100 mg. One agent remarked that he could leave the office in the morning with a barrel full of money and return by noon with a barrel full of methadone.

Undercover agents in Philadelphia discovered liquid doses of methadone selling for approximately $6 to $20. In Detroit, 11 doses were acquired at one location within 15 minutes and patients near a clinic facility were observed "hawking" methadone to passing motorists. Several days later a counselor at another clinic offered to sell an undercover contact heroin as well as methadone. He was subsequently arrested in possession of heroin. The price per dose here ranged from $6 to $7 per disket and $10 per liquid vial.

"In Boston, the situation was found to be much the same; and in one case, a suspect was identified threatening patients as they left a clinic area and taking their methadone from them in order to sell it in the street for profit. Similar efforts were made in New Orleans, but it was found that due to the previous closing of one of the more negligently operated clinics and the insistence in New Orleans that dosages be consumed on the premises, little could be accomplished within the short time of this survey."

The Subcommittee to Investigate Juvenile Delinquency was particularly interested in the sources of the growing amount of illegal methadone available on the street. Its investigation, corroborated by those of Federal and state agencies, revealed that it is being diverted from legitimate sources. An analysis of 670 samples of methadone submitted to BNDD over a two year period, revealed that 468 were in commercial tablet form, 166 in liquid solution and 36 in miscellaneous categories. BNDD has uncovered only one clandestine operation. This rarity was discovered in 1969 and led to arrests of several persons involved in the illegal synthesis of methadone. BNDD reports no evidence to suggest that any such activity is continuing at this time.

Illegal methadone has several primary origins: careless or unscrupulous physicians; thefts and diversion from methadone programs or in transit to methadone programs; and patients enrolled in methadone programs.

Methadone is used by physicians for the relief of moderate to severe pain. It is available in tablet form, usaully 5 mg. or 10 mg., and ampoule form, usually 10 mg. in 1 mil. solution. According to the National Prescription Audit published by R. A. Gosselin and Co., Inc., Ambler, Pennsylvania, 2,545,000 prescriptions for methadone were filled by pharmacists since 1967. These prescription figures do not reflect the amount of methadone administered by physicians or in the presence of a physician, by an authorized agent to patients; nor do they represent the amount of methadone dispensed or administered in approved treatment programs, because prescriptions are not written

In some communities, one or more physicians have contributed substantially to the illicit traffic in methadone. Some of these instances involved careless or unscrupulous physicians who were prescribing methadone as a pain killer, while others involved physicians who were operating as pushers under the guise of a detoxification program, for which no special registration was required. One of the most notorious cases is that of Dr. Thomas Moore who operated a "methadone program" in the District of Columbia until his final conviction of illegal distribution of methadone on an indictment alleging 38 separate counts. Moore operated from his office with impunity for over two years during which time drugs obtained by addicts from him were often found in the illicit traffic and believed to be involved in cases of narcotic overdose deaths.

He allegedly charged from $15 for 50 tablets to $75 for 200 tablets to the several hundred addicts who obtained their drugs weekly in this fashion. It was alleged that he sold 11,000 prescriptions—815,000 10 mg. units—and accumulated more than a quarter of a million dollars for his efforts. Even under these circumstances, it was still possible for the alleged "patients" to make sales of the methadone tablets for profit.

Dr. Moore was eventually found guilty on 22 counts and sentenced to a term of 15 to 45 years and fined $150,000. However, if the Attorney General had had the authority provided in S. 1115, as amended, the BNDD could have moved against this dangerous profiteer far more expeditiously.

Another illustrative example involved the case of a Michigan physician who reportedly was prescribing methadone without a physical examination. During the period March 26, 1970, to January 22, 1971 BNDD undercover agents purchased 68 exhibits of methadone and prescriptions for methadone from the doctor and his employees. The quantities of methadone dispensed and prescribed were usually high, as much as 150 to 460 tablets at a time. At no time was any physical examination given to any of the special agents and dosages were increased upon the requests of the agents to accommodate their needs.

Similarly, a recent investigation of a Tucson, Arizona physician revealed that one pharmacy had filled prescriptions for 285,000, 10 mg. methadone tablets from May 1971, to February 1973. The physician prescribed methadone under the guise of a "detoxification program" and for relief of pain. While the Subcommittee was unable to verify all the activities of this physician, it is noted with interest that California officials who testified before the Subcommittee in November, 1972, reported that they had arrested a pair of methadone runners carrying 2,000 methadone tablets destined for an illicit market in Southern California. Several Arizona physicians were allegedly the source of the methadone!

Methadone programs can become a lucrative enterprise. A Chicago physician operating what experts characterize as a "turnstyle or breadline" program, one involving little more than dispensing methadone to addicts, was charging the 500 addicts he "treated" $20 each week for a weekly gross of $10,000. Recently a physician advertised his methadone program for sale in the Business Opportunities column of a large daily newspaper. A reporter answered the advertisement representing himself as a physician and found that the "program," together with a thousand addict patients, was for sale for a price of $70,000. Reportedly the physician selling this particular program confidently represented its business potential since its customers "were sure to return for more."

In another case in an eastern city, the BNDD Regional Office was contacted by an individual employed as a laborer with an automobile manufacturer who sought information with regard to establishing a methadone clinic. His plan called for establishing the clinic near an existing methadone program because, as he said, it would be "in a good location with plenty of pre-existing business." This individual had already made

arrangements with a local doctor who had attempted to qualify as the practitioner under existing regulations.

Employees and volunteers associated with methadone programs have been implicated as sources of illegal methadone. The Subcommittee has reviewed reports regarding employees who use their clinic position to personal advantage by forging files for fictitious patients in order to account for methadone tablets stolen from the clinic for sale on the street. Laboratory analysis of liquid methadone dispensed by clinics has revealed that less methadone was present than purported. For example, a sample from a clinic in an eastern city was found to contain 13 milligrams per cc rather than the purported 30 milligrams per cc, apparently the result of the activity of a dispenser who was reducing each patient's dosage and collecting the difference. Of a total of 46 methadone programs audited in depth under joint FDA–BNDD regulations, 28 percent were found to lack proper security over drugs; 43 percent were keeping improper or incomplete records; 17 percent had failed to obtain proper registration; 75 percent were found to have at least some unaccounted shortages of methadone; and another 15 percent were found to have unaccounted overages.

In New Orleans, all seven in-depth audits conducted revealed shortages; and two programs were closed as a result of numerous serious discrepancies. In Miami, two of three programs were found with serious shortages—one with 5.6 percent which amounted to no less than 308,715, 40 mg. methadone diskets and another with 12 percent. In New York an audit revealed a shortage of 5 percent or 54,660, 40 mg. methadone diskets as well as evidence of deliberate tampering with records. Similar reports have been received with regard to Washington, Boston and other cities. Additionally, investigators found that programs often failed to require ingestion of methadone on each visit by patients; that methadone dispensing was poorly supervised; and that take-home dosages were provided contrary to the program protocol.

As of February 1973, as a result of these investigations 11 methadone treatment programs had been terminated and criminal investigations had been initiated against 12 methadone program directors. One of these resulted in conviction, 4 are pending trial or other action, and prosecution was declined by a U.S. Attorney in each of the 7 remaining cases.

Numerous factors account for the diversion of methadone from the treatment programs. It may result from lack of expertise on the part of the medical staff, poor management practices, inadequate funding, or even criminal intent. It appears, however, that most diversion is usually unwittingly permitted and can be attributed to poor organization and loose controls.

Methadone is also finding its way to illicit markets as the result of a growing number of armed robberies of methadone clinics. Illustrative examples include the July 20, 1972, theft of two gallons of concentrated solutions of methadone from the Johns Hopkins Drug Abuse Center, Baltimore, Maryland by three men armed with shotguns, and the November 5, 1972, robbery of the Jewish Memorial Hospital in Long Island, New York, in which two men armed with revolvers escaped with 1,203 40 mg. diskets; 65 100 mg. bottles; and 7 80 mg. bottles.

The most frequently cited and most common source of methadone diverted from the programs is the patient. Some addict-patients who have "take home" privileges in ambulatory programs sell part of their dispensed dosage. In Dr. Weppner's original study of 76 methadone abusers, he found that 60 percent had obtained their methadone from patients in methadone programs and that 24 percent obtained methadone from pushers who had, in turn, obtained the narcotic from individual practitioners. Lesser percentages involve purchases from unscrupulous ex-addict program counselors who were apparently permitted to handle the clinic's drug supplies. Illicit methadone traffic can be very profitable. Average daily dosages range from 40–180 mg. The street price for 10 mg. of methadone ranges from $2–$10.

Heroin addicts use methadone in a variety of ways. Many prefer methadone to heroin because it is readily available, cheaper, and they find that the euphoria is of longer duration and higher quality, particularly when injected intravenously. Others buy illegal methadone to insure against withdrawal when heroin is no longer available, or to boost the effects of cocaine and amphetamines. Some addicts enrolled in methadone programs desire the oblivion brought on by heroin, alcohol, barbiturates, or methaqualone, ("sopors" and "quaaludes") but not brought on by methadone. They sell all or part of the methadone and purchase other drugs.

According to Dr. Jerome Jaffe, Director of the Special Action Office on Drug Abuse Prevention, the treatment of 80,000 individuals with an average dose of 80 mg. per day involves the dispensing of about two and a half tons of methadone each year. He explained that if even a small fraction is diverted the hazard is considerable. For example, if only 5 percent of the patients give away or sell their medication, there would be enough methadone diverted to create 6,000 new methadone addicts annually.

Illicit sales lead to the addiction of others. Polydrug abusers and experimenters are among the regular purchasers of illegal methodone.

Many of these new addicts are younger and less experienced with drug abuse than the seasoned heroin addict. Some doctors express concern that unless we rigidly control the distribution of methadone we may be creating a new generation of addicts: methadone addicts.

Already reports indicate a steady rise in the last three years in the number of persons addicted primarily to methadone. The Inciardi and Chambers survey of recent applicants for Miami methadone programs found that 40 percent were using illegal methadone along with other drugs, and 7 percent were using solely illegal methadone. These researchers both felt that the new cases of primary methadone addiction were being created within many areas, particularly among suburban youths, as a result of supplies available through diversion. In relative terms, the extent of methadone abuse does not presently rival heroin abuse, but the trend is alarming.

Methadone programs may create a demand as well as supply it. A recent study of 55 heroin addicts terminated from methadone maintenance programs found that 35 percent were abusing illicit methadone along with other drugs, and 8 percent were abusing solely methadone.

The impact of illicit methadone traffic is vividly documented by the staggering numbers of methadone overdose deaths. While heroin-related deaths have decreased, in many cities a pattern of increase in methadone-related deaths has been noted. More than 30 percent of the narcotic deaths in New York City last year were methadone related. In the first 9 months of 1972, 100 deaths or 15 percent of all narcotic deaths were directly attributed to methadone, as compared with 10 percent in 1971. From July 1, 1972, to February 23, 1973, Nassau County in New York reported 29 of 60 narcotic deaths to be methadone related, and Suffolk County reported 7 out of a total of 11 such deaths. In Washington, D.C., methadone has been more lethal than heroin. In 1972, there were 33 methadone deaths, 20 heroin deaths, and 18 combination methadone-heroin deaths. Thus, 72 percent of the narcotic deaths were methadone related. This compares with 26 percent during 1971 when 17 methadone deaths, 60 heroin deaths, and 5 combination methadone-heroin deaths were recorded in Washington. In the Washington, D.C. suburb of Fairfax County, 9 of 14 drug-related deaths, were attributed in whole or in part to illicit methadone. In most of these areas the dead were younger people, primarily teenagers, many of whom lacked a tolerance to narcotics. Most took methadone orally, although some injected it.

It is abundantly clear that adequate safeguards must be developed to insure the effective operation of methadone programs and to protect our communities from the introduction of yet another potent narcotic drug of abuse and addiction. The recognition of the need for such safeguards should not be interpreted as an indictment of methadone programs, but rather as a realization that methadone can be harmful when diverted and improperly used.

NEED FOR THE LEGISLATION

During the 91st Congress the Committee devoted a considerable portion of its time to the issues of drug control, drug abuse and the adequacy of Federal drug legislation. After the Subcommittee to Investigate Juvenile Delinquency conducted extensive hearings and investigations, the Committee reported S. 3246, which in an amended form became the Comprehensive Drug Abuse Prevention and Control Act of 1970 (PL 91–513).

The overall purpose of this measure was to improve the administration and regulation of the manufacture, importation and exportation of the controlled dangerous substances covered under its provisions, so that widespread diversion than occurring could be halted.

The Committee bill amends Title II of the 1970 Act (PL 91–513) commonly called the Controlled Substances Act, which provides both civil regulation and criminal law enforcement for activities relating to narcotic and dangerous drugs. The regulatory powers granted the Attorney General under the 1970 Act were designed to insure that drugs produced for legitimate medical purposes do not become diverted into the illicit market. The amendments in the Committee bill have been made necessary by the growth of a relatively new approach to the treatment of narcotic addicts which has rapidly expanded since the comprehensive study conducted by the Committee and Congress.

The new development is the widespread use of the narcotic drug methadone both to detoxify and to maintain heroin addicts.

As the above preceding section of this report discusses, it has been found that the use of methadone in the treatment of heroin addiction involves unique and unusually great risks of diversion and criminal profiteering. Previously, the problem was not of significant dimensions; but changes in medical opinion and government policy, which now encourages the broadest possible application of methadone in the treatment of addiction, have drastically altered the situation within the last several years. Nearly 80,000 addicts are enrolled in maintenance programs and significant amounts are being diverted into the illicit market. It has been found that methadone and other legitimate narcotics sold in the illicit market bring prices often equivalent to heroin, and the pattern of their abuse is essentially identical. Within the brief period of time in question there have been substantial increases in the number of methadone addicts reported, the number of arrests and seizures involving legitimate narcotics, and the incidence of methadone-related overdoses and deaths.

The purpose of the Committee bill is to provide new authority for the regulation of the use of narcotic drugs in the treatment

of narcotic addicts which are consistent with legitimate program objectives and the protection of the community at large. The bill provides additional tools to facilitate law enforcement agencies in their efforts to investigate and to curb the diversion and abuse of narcotic drugs, used in the treatment of narcotic addicts.

The Committee bill requires practitioners who dispense or administer narcotic drugs in the maintenance or detoxification treatment of narcotic addicts to obtain a special registration from the Attorney General. Methadone maintenance programs were first initiated as research endeavors, and the Attorney General was provided authority under the Controlled Substances Act to require a separate registration for research programs using narcotic drugs. This criteria was never intended to apply to the massive treatment efforts now in progress nor the proposed expanded approval of methadone to the status of a new drug which permits the use of methadone for the maintenance treatment of narcotic addiction for all addicts for whom it is medically justified. The proposed expanded approval of methadone makes the inadequacies and loopholes in the Government's ability to control its diversion and abuse even more apparent. Under current law a physician can dispense methadone to addicts, on a large scale and on a regular basis, without federal regulation if methadone if used for detoxification and not maintenance. Detoxification programs, however, also involve the unique and unusually great risks of diversion and criminal profiteering associated with maintenance programs. Furthermore, in many instances where BNDD has successfully terminated the operation of a maintenance program which was a source of illicit street drugs, the unscrupulous profiteers emerged as the operators of detoxification programs. The case of Dr. Moore in the District of Columbia is the most notorious example of this type of maneuver.

The Committee bill is designed to cover the use of narcotic drugs in general rather than methadone in particular for two reasons. First, it has been found that abuses similar to those which have occurred in the indiscriminate prescribing and dispensing of methadone have occurred with regard to other narcotic drugs such as morphine, numorphan, and demerol. Moreover, with the closing of existing loopholes in the use of methadone, it could be anticipated that unscrupulous practitioners would resort to the distribution of morphine or other narcotics as an alternative. Secondly, inclusion of narcotic drugs generally will also provide the flexibility necessary to anticipate new developments in maintenance programs. For example, the drug known as alpha-acetylmethadol, also a narcotic, holds some promise of use in this regard and may be expected to become a popular drug of choice for maintenance treatment in the near future.

The Committee bill provides flexibility for emergency situations which might arise when a physician is suddenly confronted with an office emergency in which an addict is undergoing withdrawal. Inasmuch as such an emergency is unpredictable, it would be impractical to expect physicians to register specially to deal with such cases. Therefore, the term "emergency treatment" has been defined in the bill so that this particular circumstance may be excluded from the registration requirements. The duration of such an emergency would depend upon the circumstance and the availability of treatment facilities but normally would relate to a single administration of a drug for relief of withdrawal discomfort. The definition of "emergency treatment" also excludes from the registration requirements physicians who administer narcotic drugs to detoxify patients as a necessary adjunct to medical and surgical treatment in a hospital. Included in this exclusion would be cases of heart disease, cancer, or other diseases involving exceptionally severe pain in which the patients have become tolerant to the analgesic effect of the narcotics.

Standards for registration under the Committee bill are divided into two separate sections. First, an applicant must show that he or she is qualified to engage in the type of addict treatment for which registration is sought in accordance with the medical standards determined by the Secretary of Health, Education, and Welfare. Section 4 of Title I of the Comprehensive Drug Abuse Prevention and Control Act of 1970 establishes the authority for the Secretary to determine standards of treatment in this area. The current regulatory proposal published by the FDA on December 15, 1972, is an expression of this authority. The Department of Justice is bound by these medical determinations. Second, an applicant must show that he or she meets the special security and diversion standards promulgated by the Attorney General. This is a new grant of authority. The Attorney General is authorized to enact requirements relating to such things as:

1. The manner in which narcotic drugs are received and stored,

2. The qualifications and clearance of the personnel who handle and dispense them,

3. The quantities of drugs that can be kept on hand at satellite dispensing areas,

4. The security in the movement of drugs from one program site to another.

5. The maintenance of procedures and records to safeguard against theft and pilferage, and

6. Together with the Secretary to set a limit on the amount of drugs which can be dispensed for unsupervised consumption.

The Committee bill provides a new tool to enforce the standards required for the special registration. Under present law a practitioner is entitled to registration if authorized to engage in such practice under the laws of his or her state or jurisdiction, unless the application has been intentionally falsified or the applicant has been convicted of a drug-related felony. These elementary requirements may be sufficient with regard to the general practice of medicine, but are wholly inadequate for the specialized circumstances within the purview of the bill, which entail inordinate risks of diversion and unethical profiteering. The principal tool for enforcing the standards established under the bill would be the denial, revocation, or suspension of the special registration. This would be done by either (1) denying registration to a practitioner who is unable to demonstrate an ability to comply with the standards, or (2) revoking or suspending the registration of a practitioner who failed to maintain the standards following registration. Action under this provision would be entirely without prejudice to any other registration to utilize narcotic drugs in other types of medical practice. The Director of BNDD expressed such a policy, but the Committee felt it appropriate to clarify the impact of the revocation under the Committee bill. In addition to providing a regulatory framework by which safeguards against diversion can be imposed, the Committee bill will facilitate any criminal prosecutions that become necessary. As illustrated by the example of Dr. Moore, previously cited, the Attorney General was unable to take successful criminal action against profiteering practitioners except in the most aggravated of circumstances and then only after prolonged effort to make undercover penetrations.

All existing obligations and remedies under the Controlled Substances Act would apply with equal force to the new form of registration. Thus, all civil fines and penalties currently applied to recordkeeping and compliance aspects could be imposed as required. Under the Committee bill, if such a practitioner is supplying narcotics to addicts without an approved registration, the Attorney General would be able to establish a prima facie violation of the felony provisions of the Controlled Substances Act. The activity is that of an unregistered person distributing narcotics and such an individual would be treated as any other illicit trafficker. Should such an individual, however, by virtue of good faith representation, obtain a registration and then proceed to violate the standards, the registration could be quickly revoked. Should the individual persist in such activity, he or she would again be in the category of an unregistered person trafficking in narcotics; and proof of this activity would constitute the prima facie violation of the felony provisions of the Controlled Substances Act. This section of the Committee bill will cure the present difficulty in such prosecutions because of the intricate and nearly impossible burden of establishing what is beyond "the course of professional practice" for criminal law purposes when such a practitioner speciously claims that the practices in question were ethical and humanitarian in nature.

Under current law an exception is granted to complete narcotic recordkeeping requirements in that practitioners are excused from keeping a record of narcotic drugs directly administered to patients in their presence. This exception is justified by the circumstances of house calls and other emergencies to which practitioners must frequently respond without benefit of customary clerical support. The risks of abuse and diversion in the treatment of this category of patients far exceeds that which is present in the ordinary practice of medicine. The lack of a complete record of the movement of narcotic medication, including that which is administered, can severely handicap an audit of records designed to discover shortages, pilferage, or illegal activity. Any discrepancies which are found in an audit could be explained in terms of quantities administered for which no record is kept. For the foregoing reasons, the Committee bill would amend present law in such a fashion as to eliminate this exception, but only as it relates to the administering of narcotic drugs to addicts in the course of some form of addict treatment. This would also include emergency treatment for which a special registration is not required.

Without blocking this loophole as it applies to methadone programs and illegally profiteering practitioners, it is impossible to insure complete drug accountability.

Regarding the use of these records Mr. John E. Ingersoll, BNDD Director, told the Subcommittee to Investigate Juvenile Delinquency on April 5th that—

"Our only interest in inspecting these records is for the purpose of insuring compliance by the program with the Bureau's security and diversion standards. Our only purpose for disclosing these records would be to substantiate legal actions which it may be necessary to bring against a program or its employees. Of course, the identities of the patients would be kept confidential insofar as possible and such information could in no way be used against the interests of the person in treatment."

In all other respects, disclosure of the records required by the Committee bill would be subject to the conditions imposed by Section 408 of the Drug Abuse Office and Treatment Act of 1972 (PL 92–255) and would not affect the confidentiality provisions of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (PL 91–513) regarding research.

CONCLUSION

It is important to emphasize that methadone alone is not a "cure" for heroin addiction. Any effort to use the drug itself as a simple, inexpensive, large-scale answer to

heroin addiction is ill-conceived and will lead to "turnstyle or breadline" treatment. Pressure for hastily developed, large-scale, underfinanced and understaffed programs must be resisted. The emphasis should be on the quality of services not merely the number of persons processed.

However successful methadone maintenance has been in treating certain addicts, methadone must not be used to "smokescreen" the effects of drug addiction on our society and the social conditions that spawn drug addiction. Methadone maintenance should not provide a "fix" for a complex social, political, medical and psychological problem. Reduction of the incidence of criminal activity associated with heroin addiction is a high priority but it should not be our sole priority. If there is no hope but dope, an addict on methadone will turn to other so-called "chemical solutions," most often barbiturates and alcohol. The programs should assist addicts in working toward freedom from methadone as well as from heroin, so that they can become free and independent persons able to be fully and constructively involved in their community. Equally important, the rapidly spreading problem of multiple nonopiate drug abuse for which methadone is not even a partial answer, must receive proper attention.

The Committee acknowledges that inadequacies in the Controlled Substances Act of 1970 as applied to the proliferated use of narcotics in the treatment of narcotic addiction have resulted in the diversion and abuse of these narcotics. Closing the loopholes in for 1970 Act is a matter of urgent priority for the Congress.

While the Committee recognizes the limited efficiency of methadone in the treatment of narcotic addiction, the Committee bill provides an additional means for the Federal Government, in a joint effort by affected agencies, to assure that methadone is used properly in the treatment of addiction. Passage of S. 1115, as amended, would in no way interfere with legitimate objectives of maintenance and detoxification programs. Passage of S. 1115, as amended, will reaffirm the commitment Congress made to the nation when it passed the 1970 Act, by once again facilitating the prosecution of those who engage in the criminal distribution of legitimate narcotic drugs for profit.

COST ESTIMATE PURSUANT TO SECTION 252 OF THE LEGISLATIVE REORGANIZATION ACT OF 1970

In accordance with Section 252(a) of the Legislative Reorganization Act of 1970 (PL 91-510), the Committee estimates that there would be no appreciable increase in the existing administrative costs of the Justice Department in order to administer this Act.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended by Public Law 91-510, the following is a tabulation of votes in committee:

Motion to report S. 1115, as amended, to the Senate carried unanimously.

THE RUNAWAY YOUTH ACT

The Senate proceeded to consider the bill (S. 645) to strengthen interstate reporting and interstate services for parents of runaway children; to conduct research on the size of the runaway youth population; for the establishment, maintenance, and operation of temporary housing and counseling services for transient youth, and for other purposes, which had been reported from the Committee on the Judiciary with amendments on page 4, line 22, after the word "it", strike out "serves;" and insert "serves: Provided, however, That records maintained on individual runaways shall not be disclosed without parental consent to anyone other than another agency compiling statistical records or a government agency involved in the disposition of criminal charges against an individual runaway. Provided further, That reports or other documents based on such statistical records shall not disclose the identity of individual runaways; "; on page 7, after line 23, insert a new section, as follows:

SEC. 202. Records containing the identity of individual runaways gathered for statistical purposes pursuant to section 201 may under no circumstances be disclosed or transferred to any individual or other agency, public or private.

And, on page 8, at the beginning of line 3, change the section number from "202" to "203"; so as to make the bill read:

S. 645

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 "Runaway Youth Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress hereby finds that—

(1) the number of juveniles who leave and remain away from home without parental permission has increased to alarming proportions, creating a substantial law enforcement problem for the communities inundated, and significantly endangering the young people who are without resources and live on the street;

(2) the exact nature of the problem is not well defined because national statistics on the size and profile of the runaway youth population are not tabulated;

(3) many of these young people, because of their age and situation, are urgently in need of temporary shelter and counseling services;

(4) the problem of locating, detaining, and returning runaway children should not be the responsibility of already overburdened police departments and juvenile justice authorities; and

(5) in view of the interstate nature of the problem, it is the responsibility of the Federal Government to develop accurate reporting of the problem nationally and to develop an effective system of temporary care outside the law enforcement structure.

TITLE I

SEC. 101. (a) The Secretary of Health, Education, and Welfare is authorized to make grants and to provide technical assistance to localities and nonprofit private agencies in accordance with the provisions of this title. Grants under this title should be made for the purpose of developing local facilities to deal primarily with the immediate needs of runaways in a manner which is outside the law enforcement structure and juvenile justice system. The size of such grants should be determined by the number of runaway children in the community and the existing availability of services. Among applicants priority should be given to private organizations or institutions who have had past experience in dealing with runaways.

(b) The Secretary may promulgate and enforce any rules, regulations, standards, and procedures which he may deem necessary and appropriate to fulfill the purposes of this Act.

SEC. 102. (a) To be eligible for assistance under this title, an applicant must propose to establish, strengthen, or fund an existing or proposed runaway houses, a local controlled facility providing temporary shelter, and counseling services to juveniles who have left home without the permission of their parents or guardians.

(b) In order to qualify, an applicant must submit a plan to the Secretary of Health, Education, and Welfare meeting the following requirements and including the following information. Each house—

(1) shall be located in an area which is demonstrably frequented by or easily reachable by runaway children;

(2) shall have a maximum capacity of no more than twenty children, with a ratio of staff to children of sufficient proportion to insure adequate supervision and treatment;

(3) shall develop an adequate plan for contacting the child's parents or relatives in accordance with the law of the State in which the runaway house is established and insuring his safe return according to the best interests of the child;

(4) shall develop an adequate plan for insuring proper relations with law enforcement personnel, and the return of runaways from correctional institutions;

(5) shall develop an adequate plan for after care counseling involving runaway children and their parents within the State in which the runaway house is located and assuring, as possible, that aftercare services will be provided to those children who are returned beyond the State in which the runaway house is located;

(6) shall keep adequate statistical records profiling the children and parents which it serves: *Provided, however,* That records maintained on individual runaways shall not be disclosed without parental consent to anyone other than another agency compiling statistical records or a government agency involved in the disposition of criminal charges against an individual runaway: *Provided further,* That reports or other documents based on such statistical records shall not disclose the identity of individual runaways;

(1) shall submit annual reports to the Secretary of Health, Education, and Welfare detailing how the house has been able to meet the goals of its plans and reporting the statistical summaries required in section 102(b)(6);

(8) shall demonstrate its ability to operate under accounting procedures and fiscal control devices as required by the Secretary of Health, Education and Welfare; and

(9) shall supply such other information as the Secretary of Health, Education, and Welfare reasonably deems necessary.

SEC. 103. An application by a State, locality, or nonprofit private agency for a grant under this title may be approved by the Secretary only if it is consistent with the applicable provisions of this title and meets the requirements set forth in section 102. Priority shall be given to grants smaller than $50,000.

SEC. 104. Nothing in this title shall be construed to deny grants to nonprofit private agencies which are fully controlled by private boards or persons but which in other ways meet the requirements of this title and agree to be legally responsible for the operation of the runaway house. Nothing in this title shall give the Federal Government and its agencies control over the staffing and personnel decisions of facilities receiving Federal funds, except as the staffs of such facilities must meet the standards under this title.

SEC. 105. The Secretary of Health, Education, and Welfare shall annually report to Congress on the status and accomplishments of the runaway houses which were funded with particular attention to—

(1) their effectiveness in alleviating the problems of runaway youth;

(2) their ability to reunite children with their families and to encourage the resolution of intrafamily problems through counseling and other services; and

(3) their effectiveness in strengthening family relationships and encouraging stable living conditions for children.

SEC. 106. As used in this title, the term "State" shall include Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

SEC. 107. (a) The Federal share for the construction of new facilities under this title shall be no more than 50 per centum. The Federal share for the acquisition and renovation of existing structures, the provision of counseling services, staff training, and the general costs of operations of such facility's budget for any fiscal year shall be 90 per centum. The non-Federal share may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(b) Payments under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

(c) For the purpose of carrying out this title there is authorized to be appropriated for each of the fiscal years 1974, 1975, and 1976 the sum of $10,000,000.

TITLE II

SEC. 201. The Secretary of Health, Education, and Welfare shall gather information and carry out a comprehensive statistical survey defining the major characteristics of the runaway youth population and determining the areas of the country most affected. Such survey shall include, but not be limited to, the age, sex, socioeconomic background of runaway children, the places from which and to which children run, and the relationship between running away and other illegal behavior. The Secretary shall report to Congress not later than June 30, 1974.

SEC. 202. Records containing the identity of individual runaways gathered for statistical purposes pursuant to section 201 may under no circumstances be disclosed or transferred to any individual or other agency, public or private.

SEC. 203. For the purpose of carrying out this title there is authorized to be appropriated the sum of $500,000.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–191), explaining the purposes of the measure.

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

AMENDMENTS

The subcommittee recommended the following two amendments:

(1) In section 102(b)(6) strike the word "serves;" and add in lieu thereof: "serves, provided however that records maintained on individual runaways shall not be disclosed without parental consent to anyone other than another agency compiling statistical records or a Government agency involved in the disposition of criminal charges against an individual runaway; provided further that reports or other documents based on such statistical records shall not disclose the identity of individual runaways." This amendment is designed to protect the confidentiality of the individual records of youth receiving services from the facilities assisted under this act, except where the records are needed for law enforcement purposes. Where records are needed for statistical studies, the identity of individual runaways may not be disclosed.

(2) After section 201, add a new section 202 to read as follows: "Records containing the identity of individual runaways gathered for statistical purposes pursuant to section 201 may under no circumstances be disclosed or transferred to any individual or other agency, public or private", and renumber the succeeding paragraph as section 203. This amendment also protects the confidentiality of records used for statistical purposes.

PURPOSE AND ANALYSIS

The Runaway Youth Act authorizes the Secretary of Health, Education, and Welfare to provide assistance to local groups to operate temporary shelter care programs in areas where runaways tend to congregate.

Unlike traditional halfway houses, these facilities are designed to shelter young people for a very short period of time rather than on a long-term basis. These facilities could be used by the courts and the police to house runaways temporarily prior to their return home or to another permanent living arrangement. However, their primary function is to provide a place where runaways can find shelter and immediate assistance, such as medical care and counseling. Once in the runaway house, the young person would be encouraged to contact home and reestablish in a permanent living arrangement. Professional, medical, and psychological services would be available to these houses from the community as they are needed.

Most importantly, the shelters established under S. 645 will be equipped to provide field counseling for both the runaway and his family after the runaway has moved to permanent living facilities. If field counseling is not appropriate or feasible, information on where to seek more comprehensive professional help will be supplied. In short, these houses will serve as highly specialized alternatives to the traditional law enforcement methods of dealing with runaways.

S. 645 authorizes appropriations of $10 million for each of 3 years. While this amount is not large, temporary shelter care is relatively inexpensive to provide. Furthermore, experience has shown that these houses can serve a large number of people. For those programs now in existence, it is not unusual to provide residential services for more than 500 people a year.

The Runaway Youth Act also authorizes funds to conduct research on the scope of the runaway problem in this country, particularly with regard to data on the types of children who run away. The committee believes that reliable statistics rather than broad-based research may be more useful at the present time in developing effective approaches to the runaway youth problem. Thus, the scope of the research is to focus on "the age, sex, socioeconomic background of the runaway children, the places from which and to which children run, and the relationship between running away and other illegal behavior."

BACKGROUND

On January 13 and 14, 1972, hearings were held on the Runaway Youth Act, introduced last session as S. 2829. While research on the runaway problem had been conducted and a report issued by the committee in 1955, these were the first congressional hearings held on the subject in at least a decade. On July 31, 1972, S. 2829 was passed by the Senate. At the time of adjournment of the 92d Congress, the Runaway Youth Act had been favorably reported by the General Education Subcommittee of the House Education and Labor Committee.

The scope of the runaway problem is very large, although its exact dimensions are unknown. It is estimated that at least 1 million young people run away each year. While the primary concern of the subcommittee focused on runaways under the age of 18, several witnesses, including Catherine Hiatt of the Travelers Aid Association of America, made it clear that people of all ages run away and that many are in desperate need of help. S. 2829 does not specify age limits for those who may receive services, although it is assumed that the vast majority will be young people.

The most common age of runaways reported by the witnesses who operate runaway programs is 15. However, the prevalence of younger runaways is increasing. It was noted that a few years ago the most common age was 16 or 17. More recently, 43 percent of the runaways reported in New York were in the 11 to 14 age category.

All of the witnesses representing runaway programs indicated that the majority of runaways are female. John Wedemeyer of the Bridge in San Diego, Calif., noted that female runaways in San Diego outnumber males 2 to 1. The FBI Uniform Crime Reports, the only national statistics in the field, show that the number of arrests for running away among females is significantly greater than the number of arrests among males.

Although the runaway problem is usually seen as particularly prevalent among the white middle class, other groups are also affected. Brian Slattery of Huckleberry House in San Francisco, Calif., testified that their clients from the bay area "reflected the racial composition of the community." One young black witness from the District of Columbia testified that running way was often related to an intolerable home situation which could be found in any racial, social, or economic group.

Many of those who testified emphasized that providing shelter and counseling for runaway youth was an effective method of delinquency prevention. Warren W. Martin, Jr., a judge from a rural Indiana community, Rev. Frederick Eckhardt, a pastor in the Greenwich Village area of New York City, and William Treanor, director of Runaway House in the District of Columbia, noted that running away was often symptomatic of serious problems which, if left unchecked, might lead to serious delinquent behavior and perhaps to a life of adult crime. Moreover, authoritative research on the subject of runaways confirmed the testimony of several witnesses that the runaway event poses a unique opportunity to deal with the fundamental problems of the family. Dr. Robert Shellow, author of the National Institute of Mental Health study, "Suburban Runaways of the 1960's," noted that:

"The runaway crisis offers an opportunity to give assistance to families when they most want it, and to wait at all may be to wait too long.

"Since most people are more willing to seek help when they are hurting, a lot can be accomplished during the runaway crisis. Once the child has returned, however, the crisis is seen as being over, and the families comfort themselves with the belief that everything is all right. In many cases, however, it is not."

When the underlying problems remain unsolved, running away again and again often becomes a means of escape. Young people who habitually run away often have to steal or sell drugs to support themselves. Drug abuse and petty theft are normally the young runaway's next step along the path that all too often leads to a life of adult crime.

Another important function of runaway houses is to divert young people from the traditional criminal justice system. Diversion is desirable for several reasons. First, the burden of the runaway problem falls primarily on the shoulders of the police. Jerry V. Wilson, Commissioner of Police in Washington, D.C., noted in a letter to Senator Bayh endorsing the Runaway Youth Act, that the runaway problem results in the expenditure of many hours of police time annually. Similarly, FBI arrest statistics demonstrate that runaways significantly occupy police time. Runaways are the seventh most frequent reason for arrest in a list of 21 categories, even though the runaway category is the only one which applies exclusively to people under 18. Second, the police are not equipped to provide counseling and can only return a runaway to his home.

Maj. John Bechtel of the Montgomery County Police Department testified that the runaway problem is a social problem which unduly burdens the police. Third, arrest for running away often results in detention in a juvenile hall or adult jail and damaging contact with hardened offenders. This point was made dramatically clear by Becky and Cathy, two young witnesses, who were detained in juvenile hall for running away at the ages of 15 and 13 respectively. Both girls were locked up with older girls who were sophisticated in criminal activity and were charged with serious violations. Fourth, running away often results in long-term incarceration in reform school and the permanent stigma of the juvenile delinquent label. It was noted that a recent study of the Indiana Girls' School showed that one-half of the inmates were there for having run away. While incarcerated in reform school the runaway is forced to live with much more serious offenders. Through this relationship the runaway may be abused and will certainly learn of more sophisticated ways to violate the law.

ANALYSIS OF ARGUMENTS IN OPPOSITION TO THE BILL

All of the witnesses with the exception of the representatives of the Department of Health, Education, and Welfare supported the legislation. Most witnesses emphasized the seriousness of the problem and the need for immediate action.

Philip Rutledge, Deputy Administrator of Social and Rehabilitation Service, testified that new legislation designed to deal with the runaway problem was not needed since existing legislation was sufficient. He cited the Juvenile Delinquency Prevention and Control Act of 1968 and title IV of the Social Security Act. However, although the Juvenile Delinquency Act became law over 4 years ago, only a few isolated programs have been funded to deal with runaways. Additionally, the Social Security Act is unsuited to deal with the runaway problem for several reasons. First, while funds are available under title IV(A), that money may only be spent for children on welfare or who are immediate candidates for welfare. This would exclude the bulk of the runaway population who are from middle-class homes. Second, although title IV(B) specifically provides money for temporary maintenance and return home of runaways, these funds can only be spent on interstate runaway. Several of the witnesses testified that a substantial number of runaways, possibly a majority, could not qualify since they never cross State lines. Additionally, title IV(B) provides no counseling services and merely requires the return of the runaway to his home. During the hearings it was frequently noted that counseling is a crucial requirement for a successful runaway program. Moreover, in many cases, to return the runaway home simply exacerbates the problem since it returns him to the situation that caused the run initially.

Another point raised by HEW was that S. 645 was simply another categorical grant program whereas:

"The Department's position is that services to youth should be provided on an integrated, comprehensive basis and provided in a manner that recognizes that interrelatedness of the many manifestations of youth alienation from modern American society."

However, the lack of sufficient concern by the Federal Government for runaways to date indicates that unless individual legislation is addressed to the runaway problems it will continue to be ignored. Moreover, State and regional planning has not been focused on the runaway problem. This lack of planning and coordination has been recognized by the administration in regard to the entire field of juvenile delinquency. In announcing the decentralization of authority to regional offices on May 18, 1971, Mr. Jerris Leonard, Administrator of the Law Enforcement Assistance Administration, specified that juvenile delinquency programs would be excepted from this decentralization and that supervisory control would remain in headquarters. Mr. Leonard said:

"This is a real problem area—the apparent inability of all of the programs that we have in the juvenile delinquency field to dovetail and address the problem of a very broad and effective base. That's something that can't be done at the regional or State level; the coordination effort has got to come from the National Government and from Washington."

Similarly, the annual report of the Youth Development and Delinquency Prevention Administration issued in March 1971 described State planning as "spasmodic and ineffective." Finally, it was made clear at the hearings that HEW could effectively administer the Runaway Youth Act. In response to questioning, Robert Foster, Deputy Administrator of YDDPA, indicated that a categorical program like the Runaway Youth Act could be very useful in filling the gaps in services left by presently uncoordinated programs.

The representatives of HEW noted that the facilities established by S. 645 appeared to be limited only to runaways whereas they should also be available to other juvenile status offenders. However, eligibility for services under the act does not depend upon the legal classification imposed by the court or police on the juvenile. The act would provide services for "juveniles who have left homes without the specific permission of their parents or guardians" (sec. 102(a)). Since other juvenile status offenders, such as truants and incorrigibles, are often involved in a runaway situation as defined by the act, services could be provided for them.

The last argument raised by HEW was that the mechanism for awarding grants precluded effective coordination on the local, State, or regional level. However, the experience of existing runaway houses shows that this objection is groundless. All of the witnesses who represented runaway programs testified to the importance of developing close working relationships with the police, the courts, social service agencies, and the local community. John Wedemeyer of the Bridge in San Diego estimated that through such coordination his program was able to receive $76,000 in volunteered services last year. Moreover, he noted that such coordination is also beneficial to the community that the runaway program serves:

"We cooperate with the probation department, the welfare department, and the police department. They are eager to have us there, because they feel that they are heavily overworked. If they could have 20 percent of their caseload dispensed to some other social service agency, they would probably be thrilled to death."

SECTION-BY-SECTION ANALYSIS OF THE RUNAWAY YOUTH ACT

Title I authorizes the Secretary of Health, Education, and Welfare to make grants to establish local shelter care facilities to provide services to runaways in a manner which operates outside the traditional law enforcement, juvenile justice system.

Section 101 states that grants should be made on the basis of the number of runaways in the community and the present availability of services for runaways. Additionally, priority should be given to private organizations who have had experience dealing with runaways.

Section 102 establishes the requirements which runaway houses must meet to be eligible to receive grants. These include: (1) location in an area frequented or reachable by runaways; (2) a maximum capacity of no more than 20; and (3) the development of adequate plans to insure proper contact with the police, safe return of the runaway, and adequate after-care counseling. Additionally, each proposed grantee must keep statistical surveys of their clients and report them annually to the Secretary. This is intended to aid in the research financed through title II. Provision is made to protect the confidentiality of the records of individual runaways.

Section 103 requires that a plan meet the requirements of Section 102 before it may be approved by the Secretary. Priority will be given to grants smaller than $50,000.

Section 104 insures that the Federal Government will have no direct control over the actual staffing of the runaway houses.

Section 105 requires the Secretary to report annually to Congress on the effectiveness of runaway houses.

Section 106 includes Puerto Rico, the District of Columbia, Guam, and the Virgin Islands in the term "State."

Section 107 authorizes $10,000,000 for fiscal years 1974, 1975, and 1976. Additionally, it requires that the Federal share of the cost of constructing such houses be not more than 50 percent. The Federal share of the cost of renovating existing structures, providing counseling services and staff training, and general operating expenses is established at 90 percent.

Title II authorizes the Secretary of Health, Education, and Welfare to conduct research on all aspects of the runaway problem. It authorizes $500,000 to be spent for this purpose and requires the Secretary to report to Congress no later than June 30, 1974. Provision is made to protect the confidentiality of records used for statistical purpose.

CONCLUSIONS

The committee believes that the time has come to address this serious problem which affects so many of our young people and their families. The committee reports favorably the Runaway Youth Act, S. 645, and recommends that it do pass.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes in committee:

Motion to report the bill to the Senate carried favorably.

COST ESTIMATES PURSUANT TO SECTION 252 OF THE LEGISLATIVE REORGANIZATION ACT OF 1970

The sum of $10,500,000 for fiscal year 1974, $10 million for each of the next 2 fiscal years, 1975–76.

Mr. CURTIS. Mr. President, on behalf of the distinguished Senator from Nebraska (Mr. HRUSKA), I ask unanimous consent to have printed in the RECORD excerpts from the additional views he filed on the bill at the time it was reported by Committee on the Judiciary.

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

EXCERPTS FROM ADDITIONAL VIEWS OF SENATOR HRUSKA

It is neither easy nor popular to oppose a bill which has as its aim the protection of children who run away from home. But praiseworthy goals oftentimes provide an unsatisfactory litmus with which to test the value of legislation. Substantial doubt remains in this Senator's mind as to the need and efficacy of this bill's approach to the "runaway youth" problem. Therefore, I oppose this bill as reported and take this opportunity to set forth the basis of my opposition.

INADEQUATE PROCESSING

The "Runaway Youth Act" was originally introduced by Senators Bayh and Cook late in the first session of the 92nd Congress as

S. 2829.[1] Only two brief days of hearings were held by the Juvenile Delinquency Subcommittee on the bill.[2] Thereafter, the bill was pressed through the Subcommittee and full committee with what can only be charitably characterized as inordinate haste.[3]

S. 2329 passed the Senate on July 31, 1972 [4] but received no action in the House prior to the expiration of the 92nd Congress.

In the current Congress, the "Runaway Youth Act" was again introduced by Senators Bayh and Cook on January 31, 1973, as S. 645.[5] However, no additional hearings have been held on this proposal. Perhaps if consideration of the measure had been more deliberate, I would not be forced to disassociate myself from the views of my colleagues.

SCOPE OF THE PROBLEM

In my view, there is no clearly established need for the present scope of S. 645. Is the so-called "runaway youth" problem really one of national import and a federal responsibility? Perhaps not.

There is no doubt that young people run away from home—it is estimated that perhaps one million a year do so. Federal action, however, ought to be mandated by qualitative as opposed to purely quantitative distinctions. This is a basic tenet of federalism. Moreover, it is not clear whether the current scope of the runaway problem represents a growth in numbers, a decrease, or a relatively constant amount in relation to our growing population. Other factors, such as increased affluence and mobility, should also be taken into account. My reading of the record indicates that these questions have not been adequately resolved.

Several witnesses from large metropolitan areas were called to testify in support of S. 2829 last year. They voiced approval of the bill as an ostensible means of providing funds for facilities to receive, counsel and shelter wayward juveniles in a professional manner outside the judicial process. Unfortunately, however, such support for a legislative proposal of this nature begs the question. The real issue is whether the specific approach taken in S. 645 will have a beneficial effect on the problem of juvenile delinquency in general and on runaway youth in particular. Based on the evidence at hand, an affirmative answer would be unrealistic. The effectiveness of runaway houses in deterring juvenile delinquency is speculative.

Although the record in support of this bill leaves several key questions unanswered, it does provide ample evidence that young people leave home for a variety of reasons.[6]

A study by the National Institute of Mental Health which was quoted with approval by Mr. Brian Slattery, a co-director of Huckleberry House in San Francisco,[7] indicates that runaways can be broken down into two broad groups: (1) a small group whose running away is bound up with individual or family pathology; and (2) a much larger group consisting of those who run away only once. This study states that this larger group " . . . (is) not clearly distinguishable from adolescents generally . . . these, too, are troubled children, but they are troubled in much the same way as other adolescents are troubled. Unlike the pathologically-driven frequent repeater, the others need no custodial care and have no special need for individualized professional services.[8]

CURRENT FEDERAL EFFORTS

Neither the Congress nor the Administration has been idle in the area of juvenile delinquency. Indeed, the federal government is now deeply involved in programs to prevent and control delinquency and youth crime.

The 1971 amendments to the Juvenile Delinquency Prevention and Control Act of 1968 created the Interdepartmental Council to coordinate all federal juvenile delinquency programs.[9] Membership in the Council, as designated by the President, has included the Departments of Justice, Health, Education and Welfare, Housing and Urban Development, Labor, Transportation, Interior and Agriculture, as well as the Office of Economic Opportunity, the Office of Management and Budget, and the Special Action Office for Drug Abuse Prevention. In addition, several other federal agencies have served as ex officio members of the Council.

Over 160 programs are currently monitored and coordinated by the Interdepartmental Council. The most recent publication of the Interdepartmental Council shows that the federal government expended approximately $11.5 billion in fiscal year 1971 in the juvenile delinquency and youth development areas.[10]

These expenditures are made through a number of existing modalities.

Part of the activities of the Law Enforcement Assistance Administration (LEAA) are within the oversight of the Interdepartmental Council. LEAA expends a healthy percentage of its budget each year for juvenile delinquency efforts. Section 301 of Part C of the Omnibus Crime Control and Safe Streets Act of 1968 provides for law enforcement grants to cover, *inter alia*, programs relating to the prevention, control and reduction of juvenile delinquency. The total expenditures of LEAA for juvenile delinquency in Fiscal Year 1972 were $128.1 million.[11] Additionally, approximately $8 million was spent in 1972 in the area of juvenile delinquency under the High Impact Cities Program.[12] It is estimated that LEAA expenditures will increase for Fiscal Year 1973 to over $140 million.

The Juvenile Delinquency and Prevention Act of 1968 [13] is designed to assist states in providing community rehabilitation services, vocational education, and job training. Additionally, this legislation works to promote research on delinquency and encourage development of community-based residential services for juveniles.

The Vocational Education Act of 1963, as amended, provides federal funding to state programs designed to meet the problems of juvenile delinquency.[14]

Educational assistance to delinquent children is also available under the Elementary and Secondary Education Act of 1965, as amended.[15] There is also other legislation in areas which have particular applicability to our troubled youth, such as drug abuse, and relevant community action projects.[16]

NEED FOR COORDINATION

Scattered approaches to a series of deeply related problems have often been the hallmark and the downfall of Congressional efforts on many fronts.

As a result of a reorganization within the Department of Health, Education and Welfare, the Office of Human Development has been established under the Direction of an Assistant Secretary. One of the agencies brought within this Office is the former Youth Development and Delinquency Prevention Administration, which administers the programs under the Juvenile Delinquency Prevention and Control Act of 1968, as well as the Office of Child Development, which is also concerned with the problems of children and youth.

HEW, through this new Office, will be better able to focus and coordinate all of its agencies having programs related to youth, including runaway youth. It is hoped that through this mechanism all of the authorities presently in existence which relate to service and care for runaway youth will be more effectively implemented as part of a coordinated system of services for youth.

Thus, S. 645 comes at a point in our history when the Executive is displaying a heartening intention and ability to coordinate its efforts in this area. The subject bill could disturb these new initiatives and become a distinct liability.

MODE OF ASSISTANCE AND COST

This Senator believes that all federal programs in the juvenile delinquency area must be properly dovetailed. The subject bill, however, would attempt to provide coordination and uniformity by creating yet another categorical grant program. At a time when general revenue sharing has just become operative and the various special revenue sharing programs are just being considered by the Congress, it is my view that this approach may be ill-advised.

Estimates indicate that S. 645 would involve additional outlays of $30.5 million in a three-year period. President Nixon has indicated his desire to hold federal spending this year to $268.7 billion. By passing legislation with significant cost considerations such as this bill, the Senate would be contributing to mounting Congressional pressures for a tax increase.

POSSIBLE SIDE EFFECT

Everyone would want those who are compelled to run away to be protected and returned home as soon as possible. But, if a reduction in the number of runaways is a goal of equal or even greater priority, the proliferation of facilities to which juveniles know they can run raises serious problems. It is not enough to dismiss this concern, as Mr. Slattery did, by calling it "just a fancy theory." [17] The possibility of creating potential "attractive nuisances" for adolescents must not be minimized. The result would detract from the constructive efforts being made to reduce juvenile delinquency. This points to the fact that we are here only suggesting treatment for symptoms as opposed to root problems in this area.

POSITION OF THE ADMINISTRATION

The only witness called to testify on behalf of the Administration was Mr. Philip Rutledge of the Department of Health, Education and Welfare. Mr. Rutledge made no effort to minimize the problem of runaway children. Neither did he insist that it was receiving adequate attention. He did, however, state that adequate legislative authority exists to provide an appropriate federal response to this problem.

Mr. Rutledge cited the Juvenile Delinquency Prevention and Control Act of 1968 and Title IV of the Social Security Act as examples of such authority and observed:

"What is called for is not legislation establishing new categorical programs dealing with one aspect of the larger problem. Instead, efforts are needed at the state, federal and local level to integrate those services that are already available, and to fill gaps in the provision of services in each community, according to the needs of that community." [18]

CONCLUSION

Every year the volumes of the United States Code grow fatter with new laws designed to cure the myriad ills of society. Yet, well-meaning Congressional action is continually overshadowed by a widening gap between promise and performance. It is long past time that we made a more serious effort to improve our partnership with the Executive Branch so that existing laws can be made to function, particularly in this important area. While we should never hestitate to improve law through tightly reasoned action, such action should be premised upon a sound foundation of demonstrated need. We will never improve our capabilities in the area of juvenile delinquency, or other fields, if we do not provide a reasonable opportunity to adjust to and implement the laws we do pass in a manner that will permit effective administration.

In my view, S. 645 was ill-advised and hastily conceived. I urge my colleagues to reject it.

Footnotes at end of article.

FOOTNOTES

[1] S. 2829, the "Runaway Youth Act", November 9, 1971, 92nd Cong., 1st Sess., 117 Cong. Rec. 40111 (1971).

[2] See "Runaway Youth", Hearings before the Subcommittee to Investigate Juvenile Delinquency, Committee on the Judiciary, U.S. Seante (92nd Cong., 1st Sess. (1972)). (Hereinafter cited as *Hearings*.)

[3] Report of the Senate Committee on the Judiciary on S. 2829 (S. Rept. No. 92–153, 92nd Cong., 2d Sess. (1972)). Note Individual Views of Senator Hruska at p. 7 and witness the fact that the Subcommittee executive session on the bill was held prior to the availability of the hearing record.

[4] See CONGRESSIONAL RECORD, vol. 118, pt. 20, p. 26019.

[5] S. 645, the "Runaway Youth Act", January 31, 1973, 93rd Cong., 1st Sess., 119 Cong. Rec. S. 1562 (daily edition, January 31, 1973).

[6] *Hearings*, pp. 32, 51, 88, 154 and 161.

[7] *Hearings*, pp. 31–32.

[8] *Hearings*, pp. 227–228.

[9] Pub. L. 92–31. See Report of the Senate Committee on the Judiciary on S. 1732 (H. Rept. 92–220, 92d Cong. 1st Sess. (1971)), noting that whatever ineffectiveness was experienced under the 1968 Act was a ". . . result of weakness in administration rather than of faulty conception.", at p. 3.

[10] Report of the Interdepartmental Council to Coordinate All Federal Juvenile Delinquency Programs, Fiscal Year 1972. Government Printing Office. Washington, D.C. (1972) at p. 44. Contacts with Dr. Ruby B. Yaryan, Staff Director for the Interdepartmental Council, indicate that the projected estimate of expenditures grew to nearly $12.5 billion in Fiscal Year 1972 and will climb to approximately $13 billion for FY 1973.

[11] Report of the Interdepartmental Council, at p. 50.

[12] Law Enforcement Assistance Administration Juvenile Delinquency Project Summaries for Fiscal Year 1972 (October 1972).

[13] 42 U.S.C. 3801, *et seq.*

[14] 20 U.S.C. 1241, *et. seq.*

[15] 20 U.S.C. 241(a), *et. seq.*

[16] See e.g. Community Mental Health Centers Act, P.L. 88–164, 42 U.S.C. 2681, *et. seq.*; Comprehensive Drug Abuse Prevention and Control Act of 1970, P.L. 91–153, relevant sections gathered at 21 U.S.C. 801, *et seq*, 42 U.S.C. 2688 (n–1), *et seq.*; Drug Abuse Office and Treatment Act of 1972, P.L. 92–255, 21 U.S.C. 1101, *et seq.*; Housing and Urban Development Act of 1965, P.L. 89–117, 42 U.S.C. 3103, *et seq.*; Demonstration Cities and Metropolitan Development Act of 1966, P.L. 89–754, 42 U.S.C. 3301, *et seq.*

[17] *Hearings*, p. 43.

[18] *Hearings*, p. 20.

The amendments were agreed to.

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

PARTICIPATION BY UNITED STATES IN UNITED NATIONS ENVIRONMENTAL PROGRAM

The Senate proceeded to consider the bill (H.R. 6768) to provide for participation by the United States in the United Nations environmental program, which had been reported from the Committee on Foreign Relations with an amendment, on page 2, after line 7, strike out:

SEC. 4. No funds authorized by this Act shall be expended, directly or indirectly, to aid or assist in the reconstruction of the Democratic Republic of Vietnam (North Vietnam).

Mr. PELL. Mr. President, I urge approval of this legislation (H.R. 6768) providing for U.S. participation in the United Nations voluntary fund for the environment.

The United Nations Conference on the Human Environment, held in Stockholm June 5 to 16, 1972, represents a landmark for international cooperation. This conference, the largest international meeting ever held, was attended by 113 different nations. Despite a number of heated confrontations between various countries, this world assembly was able to adopt more than 100 recommendations for international action. These recommendations, could establish an important framework for the world's collective attack on global environmental problems.

The most significant action taken by this conference was the creation of a U.N. Environmental Agency. This Agency, comprised of a small Secretariat headed by Maurice Strong as its executive director, would be the focal point for cooperation, coordination, and effective management of environmental activities in the United Nations system. However, the ultimate success or failure of this Agency will depend to a great extent on the size and availability of a voluntary environment fund. This fund, initially proposed by the President in his 1972 environmental message to Congress, will provide support for the activities of Mr. Strong's Secretariat.

Subject to congressional approval, the United States has stated its willingness to pay on a matching basis with other nations up to 40 percent of a 5-year $100 million fund. An initial U.S. contribution of $10 million has been included in the fiscal year 1974 budget.

The following is an estimate of how this fund will be utilized. This potential allocation was submitted to the Subcommittee on Oceans and International Environment during the recent hearings on this bill:

DEPARTMENT OF STATE,
Washington, D.C., April 27, 1973.

POTENTIAL EXPENDITURES OF UN ENVIRONMENT FUND ($100 MILLION OVER 5 YEARS)

The overall United States objective for the United Nations voluntary Fund for the Environment is to increase the global capability to recognize and solve those environmental problems of international concern which have the most serious implications.

With this objective in mind, the United States considers the following areas to merit support by the Fund. For convenience, they are arranged under the three headings of environmental assessment, environmental management, and supporting measures. Estimates of costs of implementation are included.

I. ENVIRONMENTAL ASSESSMENT

1. Evaluation and review

This program area wo· 'd be devoted to:

(a) support for a study of existing energy resources and consumption trends, including non-renewable resources availability;

(b) specific studies of environmental impacts of development projects;

(c) convening of intergovernmental expert bodies to identify, assess importance and recommend actions to control various pollutants;

(d) convening of expert groups to develop guidelines and recommendations for marine pollution control.

Approximate cost to the fund over the initial five year period: $2.8 million

2. Research

This area would be concerned with the development and implementation of cooperative international research programs. These programs would be coordinated and stimulated by the UN specialized agencies with principal responsibility in the particular substantive areas involved. This approach would (a) through increased, non-duplicative effort, improve the likelihood of identifying and finding solutions to global environmental problems, (b) increase the competence of developing country scientists to cope with national environmental problems, and (c) in some cases provide information from additional locations necessary to evaluate existing environmental conditions and the need for further international actions.

Work could include: (a) cooperative research and studies on forest ecosystems and management; (b) study of side effects of various commercial, industrial and scientific activities on aquatic resources as background for international agreements; (c) coordinated programs on water management, irrigation and pollution control, involving research, training, information exchange and possible establishment of additional regional water centers; (d) cooperative research and studies of interaction of man and the biosphere; (e) efforts to strengthen the capability of the International Oceanic Commission to coordinate marine pollution research and monitoring; (f) the development and support of cooperative marine research and monitoring programs; (g) studies on regional environment and development programs in association with regional Economic Commissions.

Approximate cost for the first five years would be : $29 million

3. Monitoring

The Fund is expected to support global environmental monitoring programs by augmenting existing national and international monitoring efforts. Additional stations will be required to provide a more complete assessment of the status of the marine environment (through the IOC), the atmosphere (through WMO), and terrestrial environments (through FAO and UNESCO). Programs to monitor the effects of environmental constituents on human health also are expected to require additional support (through WMO). A number of the new terrestrial baseline and regional stations, as well as human health monitoring programs, would be situated in developing countries where presently inadequate information must be improved in order to develop an accurate global assessment.

Monitoring activities would include: (a) seminars on remote sensing for resource and pollution survey and on sharing of information; (b) strengthening the WHO health reporting system and WHO and FAO programs for monitoring food contamination; (c) establishing additional baseline stations in developing countries for atmospheric monitoring through WMO; (d) supporting ocean monitoring and contributing to research programs through the International Oceanographic Commission to measure pollutants, living resources, marine physical factors.

Approximate five year cost to the Fund: $21 million

4. Information exchange

Fund allocations would be made for the development and support of an international system for the exchange of information of direct, practical use to governments, and for facilitating the exchange of information on environmental problems of a regional nature. The Information Referral Service would be the principal element in this system. It would identify existing sources of environmental information and serve as a mechanism for referring inquiries from governments to these sources for reply. In addition the Fund could support the development of procedures for regional information exchanges.

Approximate five year cost: $2.3 million

II. ENVIRONMENTAL MANAGEMENT

1. Goal setting and planning

The Fund is expected to support programs designed to improve the condition of the environment with particular emphasis on reducing pollution. Although control actions must be taken by individual countries, the international community can contribute through the identification of problems, the establishment of goals, and planning designed to meet those goals. Existing information in a large number of environmental areas is still inadequate to identify actions by countries which might be needed. In some areas, however, there is sufficient basis for present action.

These include: (a) support for WHO to increase its efforts concerned with planning water supply and sewerage services. The programs would be selected from WHO proposals in this area; (b) support for UN programs in research, technical assistance, consultations, extension and public information to reduce harmful effects of agrochemicals; (c) increase support by the Fund to the Codex Alimentarius Commission to develop pollutant standards for food; (d) support for experts to determine pollutant limits for air and water through WHO.

Approximate cost: $12.5 million

2. International consultations and agreements

Fund allocations in time can be expected to be made to support the development of new international agreements or arrangements in the environmental sphere. These would be concerned initially with various conservation activities and with the development of environmental guidelines for development projects, including consideration and long-range development strategies.

It is expected that Fund support will be provided for: (a) developing country participation in preparing conventions; preparation of handbooks for managing natural areas, selection of sites; (b) initiating an international program to preserve genetic resources described in the Stockholm Conference recommendations; including (c) the coordination of activities related to the storage of information, sponsoring meetings and other activities associated with establishing gene pool or germ plasm banks; (b) meetings of governmental and other experts to develop environmental criteria for development for project analysis.

Approximate Cost: $5.3 Million

III. SUPPORTING MEASURES

1. Education and training

The Fund is expected to support the development of innovative environmental education programs for teacher training and use in public schools. It also is expected to support the development of curricula and textbooks concerned with the environment, and in the inclusion of environment considerations where appropriate in courses in related subjects. The training of specialists in various environmental areas would also receive high priority, as would seminars and short courses for government officials concerned with environmental problems such as wildlife management, especially in developing countries.

These programs could absorb approximately *$21 million* over the five-year period.

2. Public information

The Fund would be used to support the preparation and distribution of films, books, and radio and TV programs, as well as extension efforts and the dissemination of information to strengthen community awareness of environmental problems.

Approximate Cost: $5 Million

The subcommittee has recently been informed that the number of other countries which have pledged contributions to this fund has increased from 10 to 17 since the subcommittee conducted hearings. The total contributions from these other nations will represent $53.4 million. Out of this sum, approximately $6.7 million will be available to the fund in calendar year 1973. Thus, it appears that other countries are, indeed, contributing their share to this fund.

I, therefore, urge support of this legislation in order that the United States may contribute its fair share of the support for this new international environmental effort.

The amendment was agreed to.

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

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–196), explaining the purposes of the measure.

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

EXCERPT

PURPOSE

The purpose of H.R. 6768, as amended, is to authorize the appropriation of the U.S. share of the United Nations Environment Fund. The bill, as amended, authorizes an appropriation of $40 million for the total U.S. contribution, and limits the fiscal year 1974 contribution to $10 million.

BACKGROUND

One of the more significant actions taken by the United Nations Conference on the Human Environment was the creation of a new organizational structure for the international environment.

This structure, comprised of a small Environmental Secretariat, headed by Maurice Strong as its Executive Director, will be the focal point for cooperation, coordination, and effective management of environmental activities in the U.N. system. Guidance to this Secretariat will be provided by a Governing Council for Environmental Programs, consisting of representatives from 58 member states, including the United States.

A primary responsibility of this U.N. Secretariat will be the administration of the newly created U.N. Voluntary Environment Fund. This Fund, initially proposed by President Nixon in his 1972 Environmental Message to Congress, will be an instrument for coordinating and supporting international environmental programs, particularly in the areas of global monitoring and marine pollution.

The goal of this Fund is $100 million for the first 5 years. The United States has indicated that it will contribute, subject to congressional approval, up to $40 million of this total on a 40/60 matching basis. An initial U.S. contribution of $10 million has been included in the fiscal year 1974 budget. At the present time, 12 other nations have made specific pledges totaling $41 million.

COMMITTEE ACTION

The original administration proposal called for an "open-ended" authorization, and was introduced, by request, by Senators Pell and Case, on March 8, 1973.

Hearings on this legislation were conducted on April 16, 1973. Witnesses appearing at those hearings were: Christian A. Herter, Jr., Special Assistant to the Secretary of State for Environmental Affairs; and Mrs. Christine Stevens, Secretary of the Society for Animal Protective Legislation. Written testimony was also submitted by the National Audubon Society.

On May 15, 1973, the House version (H.R. 6768) passed by a vote of 266 to 123. This bill limited the total U.S. contribution to $40 million and the fiscal year 1974 contribution to $10 million. It also contained an amendment which forbade the use of these funds for the reconstruction of North Vietnam. At the time of its passage, two additional amendments failed by very narrow margins to limit the U.S. contribution to 25 percent of the total.

H.R. 6768 was considered by the Committee on Foreign Relations in executive session on June 4, 1973. The committee, realizing the difficulty in the enforcement of such a restriction and relying upon the administration's assurance that no environmental funds would be diverted to the reconstruction of North Vietnam, deleted the House amendment prohibiting such use. However, the committee did accept the House amendments limiting the total U.S. contribution to $40 million and the fiscal year 1974 contribution to $10 million. Based on the understanding that these limitations and the program needs of Environmental Fund will be subject to periodic congressional review, the committee does not believe that these authorization restrictions will impose an undue burden on this new international environmental effort.

COST ESTIMATE

The total amount authorized to be appropriated under this legislation is $40 million. Not more than $10 million is authorized to be appropriated during fiscal year 1974.

VACATING OF TIME FOR RECOGNITION OF SENATOR MONTOYA TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time allotted to the distinguished Senator from New Mexico (Mr. MONTOYA) under the order today be transferred to my control.

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

AUTHORIZATION FOR COMMITTEES TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until midnight tonight to file reports.

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a nomination, was communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate a message from the President of the United States submitting the nomination of Clarence M. Kelley, of Missouri, to be Director of the Federal Bureau of Investigation, which was referred to the Committee on the Judiciary.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from South Carolina

(Mr. HOLLINGS) is now recognized for not to exceed 15 minutes.

J. EDGAR HOOVER—A GREAT AMERICAN

Mr. HOLLINGS. Mr. President, it is my privilege to rise today in order to set the record straight about a great American—J. Edgar Hoover, the late distinguished Director of the Federal Bureau of Investigation. Mr. Hoover has been badly maligned by recent press accounts and even some Government leaks implying that he was not of sound mind in his later years. As a Senator and an American who greatly admired and respected J. Edgar Hoover, I feel that I owe it to him, to the Senate, and to our citizenry to refute these totally untrue and slanderous charges.

I had known the Director for many years before coming to the Senate. In 1955, I was serving on ex-President Herbert Hoover's Commission Task Force investigating the intelligence activities of the Federal Government. It was during the so-called McCarthy period, when the Wisconsin Senator was charging the Government with harboring security risks and allowing breaches in the national security. Senator McCarthy had refused to provide anyone with the documentation for his charges. Finally, he agreed to turn his papers over to General Clark, and I had the opportunity of reviewing them along with the Director of the FBI, Mr. Hoover. Without hesitation on each paper and each charge, Mr. Hoover and the FBI had the record and were completely aware. McCarthy had the rumors, while Mr. Hoover had the facts.

This knowledge of the facts—this mastery of the job—was something J. Edgar Hoover kept with him until his dying day. On March 10, 1972, he appeared before the Senate Appropriations Subcommittee for the Departments of State, Justice, Commerce, and the Judiciary. On that particular day, I was serving as acting chairman of the subcommittee and we were discussing the budget request for the FBI. This was, incidentally, Mr. Hoover's last appearance before a congressional committee, less than 2 months before his death.

The hearings lasted 4 hours straight. Mr. Hoover set forth in great detail the operations of the Federal Bureau of Investigation and his plans and his projections for the coming year. Other witnesses that appear—Secretaries of Cabinet departments, representatives from the various Government agencies, usually bring along an army of aides, and constantly refer the hard, detailed questions to these subordinates. Not so J. Edgar Hoover. He brought only one associate who remained a silent partner during the 4-hour exchange. Without notes or consultations, Mr. Hoover shot back the answers in that quick, commanding, and precise style that many of us knew firsthand. He was, in short, the absolute master of his material. Seldom have I seem so well informed a witness. Seldom have I had more confidence in a man's stewardship over a Government agency.

During those hearings, we ran the gauntlet from organized crime to drug control to Communist subversion to homegrown militants.

Now it is alleged by some that during Mr. Hoover's tenure, the Federal Bureau of Investigation was involved in the carrying out of investigations in foreign countries. This accusation was emphatically denied by the Director, who explained the conduct of investigations in foreign countries was not under the jurisdiction of his agency, but rather under the control of the Central Intelligence Agency.

> Our representatives abroad . . . conduct no investigations and secure needed information and assistance by direct request of an appropriate foreign agency.
>
> The Central Intelligence Agency is restricted from conducting any investigations within the United States regarding domestic intelligence matters. That is within F.B.I. jurisdiction. We are restricted from conducting investigations in foreign countries.

He concluded—

> That is the way it has been for years, and that is the way it should be.

Mr. Hoover understood the limits of his jurisdiction and he respected those limits, any accusation to the contrary notwithstanding.

It is further alleged by some that under Director Hoover, the FBI did not have an adequate check on the activities of the Black Panthers and the Weathermen, and that this failure made it necessary to set up other investigatory units. On the contrary, the record clearly discloses that Mr. Hoover gave us a detailed analysis of Panther and Weathermen activities—an explanation that required in-depth knowledge of the facts and a thorough acquaintenance with the structure of those organizations. He was able to provide the same indepth treatment on every subversive and revolutionary group that was mentioned during the course of our extensive discussion. And, I was pleased to note, Mr. Hoover was just as deeply and thoroughly informed and involved in the investigations of organized crime in this country.

Any suggestion that it was necessary to set up other groups to carry on the work of intelligence activity is simply not true. J. Edgar Hoover worked under 10 Presidents of the United States, and he gave to each one his wholehearted cooperation. His testimony before our subcommittee is filled with reference after reference to FBI cooperation with White House initiatives on law enforcement and even with Office of Management and Budget desires to hold the line financially and make maximum economies in the operation of Federal Government agencies. J. Edgar Hoover dedicated a lifetime to law enforcement, and his commitment to that ideal far transcended anything in the way of personal animosities or rivalries. Anyone who knew Mr. Hoover will regard accusation that he refused to cooperate with the other agencies of Government as completely unfounded.

What such an accusation boils down to is that some people are trying to excuse their own excesses—and possibly even crimes—by blackening the name of a great and devoted public servant. There is no other explanation.

No one would deny, of course, that Mr. Hoover was a man of strong mind and definite opinions. He referred flippantly to editorialists as the Katzenjammer Kids and to certain newspapers as the "scavenger press." I could not agree with these characterizations, and I thought it was unfortunate that he had built a wall around him that sealed him off from the news media. However, it is a cardinal principle of intelligence and investigative work that you do not "try your case in the newspapers." So after 40 years of having to say "no comment" or obscuring the facts, I think his prejudice against the media could be termed a hazard of the trade.

And he had other prejudices. During that final appearance on Capitol Hill, I recall asking Mr. Hoover what role he envisioned for women in his department—whether they could be trained as agents. He made it very clear that he had deep reservations about that, and here was another of those few areas wherein we had some disagreement.

J. Edgar Hoover was a proud man, and I told him he had every right to be. He built from scratch an unknown agency and fashioned it into a model of integrity and efficiency. His agency's standards were high because his own personal standards were high. He set the tone—and the tone was honest and straightforward. That is the kind of stewardship so sorely lacking today, wherever we look.

Mr. Hoover knew his job, and he did his job—day in and day out. He inspired others with his own dedication and hard work. And many times, this inspiration was all the poor law officer had to go on. What with changing times, Supreme Court decisions, and a distraught society, the lawman on the street or in the field was hard pressed to deliver. Spat upon, kicked, abused, derided, and sometimes even arrested himself, the officer at least knew that he still had J. Edgar Hoover to look to and that the laws of society had not been completely abandoned.

It was an honor for me to work with this truly great American. When the annals of these troubled times are written, the figure of J. Edgar Hoover will stand out clearly and boldly as a champion of law and integrity and public spiritedness. To the last, he did his job—keenly, fairly, and honestly.

He was a public servant's public servant.

More importantly, he was the people's public servant. And the people knew it.

ORDER OF BUSINESS

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

MASSIVE FAILURE OF HOUSING MORATORIUM

Mr. PROXMIRE. Mr. President, as chairman of the Senate Appropriations Subcommittee on Housing and Urban Development, Space, Veterans, and other independent agencies, I have just completed hearings on the appropriations bill covering those agencies.

In the past I have been concerned that almost invariably the witnesses before

the Appropriations Committee come before it to support spending. It is almost always an ex parte hearing in which the proponents from the agency and the proponents from industry team up together to demand funds and to justify virtually every activity of the agency.

I attempted to change that format this year in these hearings. As a result, I called in outside, independent witnesses to give their assessments on the HUD program, on the space expenditures, on the National Science Foundation, and on the Veterans budget. It seemed wrong, to me, not to subject almost $20 billion of proposed Federal spending to the sharp eyes of independent critics as well as to those running the programs.

THE HOUSING PROGRAM

Today I want to report on the results of just one area where this was done. That area is housing.

Altogether, we held 5 days of hearings on housing. The first day we heard from five outside expert witnesses, including John Gunther, executive director of the U.S. Conference of Mayors; Mr. Neil Hardy, former FHA Commissioner and now with the New York City Housing and Development Administration; Mr. George Martin, president of the National Association of Home Builders; Mr. Robert Maffin, executive director of the National Association of Housing and Redevelopment Officials; and Mr. Bernard Frieden, director of the Joint Center for Urban Studies, MIT-Harvard.

I might say that these are among the most extensive and detailed examinations of the housing and urban developments that I think have been conducted in a long time—in fact, since the formation of the department. In addition to the hearings, just yesterday we had 13 mayors from the State of Wisconsin who testified for 2 hours on the housing situation.

Also, we took 3 days of testimony from Secretary Lynn and his associates.

Finally, we heard from a group of mayors including Mayor Landrieu of New Orleans; Mayor Alioto of San Francisco; Mayor Patricia Sheehan of New Brunswick, N.J.; Mayor Alexander of Syracuse, N.Y.; Mayor Cmich of Canton, Ohio; Mayor Gibson of Newark, N.J., and Mayor Flaherty of Pittsburgh.

As a result of those hearings, I want to make this personal report concerning the testimony we received.

NO JUSTIFICATION FOR MORATORIUM

I would say the most notable result of the hearings was the complete absence by the HUD officials of a clear justification for the housing moratorium. In fact, the arguments given for the moratorium can only be termed "pathetic."

We were told that the housing programs did not work. But when we pressed the HUD officials on that score, their arguments collapsed. Let me be specific.

At the same time that HUD has suspended or ended many of the major housing programs on the grounds that they did not work, the President of the United States claimed that the major problems of the cities have been solved.

On March 10, President Nixon said that, with respect to our cities—

> The hour of crisis has passed. The ship of state is back on an even keel, and we can put behind us the fear of capsizing.

He also said that—

> City governments are no longer on the verge of financial catastrophe.

The situation is filled with irony. The President has now ended or suspended the very city programs that solved the crisis of the cities.

We received no satisfactory answer from Secretary Lynn on that contradiction.

LOW-INCOME HOUSING PROGRAMS

When we pressed HUD to justify their action in suspending new approvals for public housing and section 235 housing, we also got no proper answers.

Section 235 housing has worked very well in some areas and not very well in others. But where it has failed, it has failed primarily because of bad, and sometimes criminal, HUD management.

In Detroit, there were some section 235 scandals. But in Detroit, the scandals were not limited to section 235 and were not even primarily section 235 scandals. They were found across the board in HUD programs.

In Milwaukee, there were no section 235 scandals and, indeed, not a single section 235 failure.

Consequently, it was not a failure of the section 235 program as such but a failure of the HUD management where the program failed.

PUBLIC HOUSING

The HUD experts gave even poorer reasons for suspending new approvals for public housing. HUD's Inspector General testified that there had been no increase in public housing scandals and in fact that the programs had not been involved in serious scandals.

The HUD experts testified that there were long waiting lists of people waiting to get into public housing.

The HUD experts testified that there was a very low vacancy rate for public housing.

With no serious scandals and long waiting lists and low vacancy rates, one can hardly claim this program is a failure. But new approvals were suspended last January, and that suspension will continue for at least 18 months and probably for 2 years.

LITTLE ATTENTION TO CUTTING COSTS

The one significant argument in favor of the moratorium raised in general by HUD officials was the argument of cost.

But even on that issue we found that HUD had scarcely examined the principal proposal to reduce costs put forward by both the Comptroller General, Mr. Staats, and by the Joint Economic Committee. That proposal is to fund subsidized housing programs through Government borrowing rather than borrowing the funds from the private market.

The difference in cost, according to the Comptroller General and the Joint Economic Committee, in meeting the housing goals put into law in the 1968 Housing Act, would be from $2 to $4 billion—that much saving. But even though the only substantial argument raised by HUD in favor of the low income housing mortorium was cost, from the testimony of the Secretary and his subordinates, it is quite clear that this proposal, a proposal also made 4½ years ago by the Douglas Commission, has received at best only passing attention from the top level of HUD.

COUNSELING AND REHABILITATION

There are two programs which, according to the expert testimony we received, are vital either to the success of the low income housing programs or in reducing the costs of housing low-income families. These programs are counseling for low-income families going into public housing or sections 235 and 236 housing, and the rehabilitation of existing housing units.

The testimony and evidence received by our committee and others was that counseling was the vital ingredient in making section 235 work.

Further, not every low-income family should live in a new house. There are millions of housing units with excellent overall structures which can be rehabilitated for much less cost than building a new public housing or Section 235 unit.

Here, then, are two programs which the experts tell us can make subsidized housing programs work, and cut costs of housing low-income families.

But what has HUD done? You would think that these programs, in view of HUD's assertions, would have the highest priority.

Not at all. No funds—none—are provided for counseling in the new budget. Yet every expert tells us such funds are vital to the success of the program.

And the rehabilitation loan and grant programs have been ended. Yet, we all know that they can provide a decent home in a suitable living environment at far less cost than building an entirely new subsidized housing unit.

The failure of HUD to fund these programs leads me to believe one of two things. Either HUD does not know what it is doing and is ignorant of what is needed to make a subsidized housing program work, or the justifications they are giving for ending or suspending the program are false and phoney.

If they know what they are doing, they would not end these programs. In that case, their reasons have to be false.

If they are sincere in what they are doing, then they obviously do not know what they are doing and lack ability, expertise, and knowledge of housing programs.

Either way—and it has to be either one or the other—what they are doing in failing to provide counselling funds and in ending the rehabilitation programs is wrong.

It is not only wrong, it is costly.

FEAST AND FAMINE RAISES COSTS

The testimony we received from both the housing experts and the mayors was that the HUD moratorium will raise housing costs—not cut them, but raise them.

There is a good reason for this. Continuity of production in housing is one of the best methods of cutting costs. If a builder can build 500 units a year every year instead of 800 units 1 year and 200

units the next year, he can make significant earnings through proper use of his work force, the ability to limit his inventory, and in borrowing his funds and other building costs.

The testimony we received was that housing crunches, like that of 1966–67, housing moratoriums, and feast and famine housing periods are destructive of efficient building practices.

The mayors testified that the on-again, off-again nature of HUD programs also adds to costs.

Thus, what HUD has succeeded in doing is to add significantly to housing costs at a period when it should be seeking to cut housing costs.

To put it in a straightforward way, HUD itself has been an engine of inflation with respect to housing, in a period when we should be fighting inflation.

Their policies add to both housing costs and urban costs. It is destructive of continuity in programs.

INEFFICIENT USE OF HUD PERSONNEL

Another cost casualty of the HUD moratorium is the inefficient use of HUD personnel.

Personnel are needed, first, to manage the existing programs. But personnel are also needed to process applications for new starts under existing programs.

With at least 16 major programs now suspended or terminated, the processing of new applications for public housing, urban renewal, rehabilitation loans, model cities, water and sewer grants, and other programs, has come to a screeching halt.

Mr. President, I ask unanimous consent that a table showing the programs suspended be printed at this point in the RECORD.

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CUTOFF DATES FOR SUSPENDED OR TERMINATED HUD PROGRAMS

	Action	Effective date
Housing production and mortgage credit programs:		
Assisted housing (rent supplements, secs. 235 and 236, and public housing).	Suspended	Jan. 5, 1973.
College housing	Terminated	Do.
Nonprofit sponsor assistance.	Suspended	Do.
Housing management programs: Public housing modernization.	do	June 30, 1973.
Community development programs:		
Model Cities program	Terminated	Do.
Neighborhood facilities	do	Do.
Open space land	do	Jan. 5, 1973.
Water and sewer facilities	do	Do.
Urban renewal programs	do	[1] June 30, 1973.
Rehabilitation loans	do	Do.
Public facility loans	do	Jan. 5, 1973.
Community planning and management programs:		
Community development training and fellowship programs.	do	June 30, 1973.
Supplementary grants for new communities.	do	Do.

[1] Termination date for new approvals. An appropriation request of $137,500,000 will be used in fiscal year 1974 primarily to close out urban renewal projects approved in prior years.

Mr. PROXMIRE. These personnel either have to be fired or trained to do something else. Then, if the programs are started up again in fiscal year 1975, HUD will have to hire back people or retrain them, or shift them around again. The moratorium can only produce continual management chaos.

Furthermore, the reduction in personnel and the efficiency of personnel can never match the reduction in funds.

We found, for example, that while HUD's funds for new obligational authority will be cut by 27 percent if the President's budget is approved as requested, there will be a cutback in personnel of only 12 percent.

Thus, there is no cut in personnel equal to the cutback in programs, which is wasteful, and if the programs are started up again, it will no doubt cost as much, if not more, to hire and train the new people needed to carry them out.

The moratorium is as costly to HUD as it is to the builders and to the cities.

EFFECT ON HOUSING GOALS

One thing is also clear. The moratorium means that the housing goals established in 1968 will not be met this year.

Those goals call for 6 million subsidized units over a 10-year period. It is obvious that 600,000 units, or precisely one-tenth of the total, will not be built each year. In the early years, 600,000 units was too much, and in the latter years, we should build more than 600,000 units.

We are now in our fifth and sixth years of the program. By this time we should be approaching the 600,000 unit-goal.

But look what has happened.

According to Secretary Lynn's testimony, starts in fiscal year 1973 numbered 378,475, or almost 400,000 units.

But starts for subsidized housing in fiscal year 1974, including the Farmer's Home Administration program, will number only 289,755. This is a cut of about 90,000 units, or 25 percent, in the program during a period when the new starts should be increasing.

Instead of meeting the housing goal in 1974, the new starts in subsidized housing will be less than half of the 600,000 units needed to meet the annual average of new starts of the housing goal.

EXAGGERATION OF QUALITY OF HOUSING INVENTORY

One of the most important points developed at our hearing was the admission by Secretary Lynn and HUD officials concerning the quality of the housing inventory. Their testimony directly contradicts both the President's statement on March 10, in his broadcast on the cities, and the presentation by the Office of Management and Budget in the charts entitled "Budget Highlights" which accompanied the fiscal year 1974 budget.

In the President's address on radio on March 4, 1973, he said that:

> The number of people living in substandard housing has been cut by more than 50 percent since 1960.

In chart No. 41 of a document called Budget Highlights, fiscal year 1974, a bar chart indicates that "Occupied substandard housing" has declined from 9.0 million in 1960 to 4.1 million in 1970.

It is on this basis that the President made his statement and that HUD and others are claiming that "the hour of crisis" in the cities is behind us.

I asked Secretary Lynn about these figures. I first asked him if the 4.1 million figure was not based almost exclusively on whether or not the unit has indoor plumbing?

Secretary Lynn answered, incorrectly in my belief, that it was a figure based both on overcrowding—more than 1.1 person per room—and lack of indoor plumbing.

The fact is he was wrong about that.

According to HUD's own publication, namely the Fourth Annual Report on National Housing Goals required under the 1968 act, in 1970 there were 3.8 million units lacking plumbing facilities and another 1.4 million units which were dilapidated or needing major repairs. That is a total of 5.2 million units.

In addition, there were 4.5 million housing units with all plumbing facilities in which there were more than 1 person per room or which, therefore, were occupied and overcrowded.

That means that there were at least 5.2 plus 4.5 million housing units, or a total of 9.7 million units, which were either substandard or standard overcrowded units.

The Secretary was clearly wrong when he stated to us that the 4.1 million figure included both substandard and overcrowded occupied units.

We all agree that the census figures, based almost exclusively on whether or not there is indoor plumbing, are very misleading.

So it is this 4.1 million figure alone, which does not include the overcrowded units and does not include, it appears, the unoccupied dilapidated units, on which the President has based his claim that "the number of people living in substandard housing has been cut by more than 50 percent since 1960."

That is a misleading and essentially inaccurate statement. It downgrades our housing needs.

But there are other factors, too, which make the figures misleading. Let me illustrate.

Under the Census Bureau definitions, housing would be classified as standard even under the following conditions:

First. The unit was on the third floor but the bathroom was in the basement.

Second. If the sleeping space were inadequate.

Third. If there were an absence of heat or light or proper ventilation.

Fourth. If the unit was surrounded by railroad tracks or freeways.

Fifth. If obnoxious fumes poured down upon it from a neighboring chemical plant or rendering works.

Sixth. If the lot next door were used as a garbage dump and was full of rats.

Seventh. If there were no street lights.

Eighth. If the streets were unpaved, lacked gutters, and were full of potholes.

Ninth. If there were no schools in the community.

Tenth. If there were no police protection, garbage pickup, or other city services.

For all of these reasons, even the figure of 9.7 million housing units in this country which are either dilapidated, lack indoor plumbing, or are standard overcrowded units greatly understates the housing needs of America when defined in the terms of the 1949 act; namely, that what we seek is "a decent home in a suitable living environment for every American family."

Mr. President, I ask unanimous consent that the exchange between myself and Secretary of Housing and Urban Development Lynn, which appears on pages 1446 to 1450 of the transcript of the hearing, be printed at this point in the RECORD.

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

Senator PROXMIRE. Mr. Lynn, this Administration has talked about the dramatic improvement in housing conditions that is budget highlight chart number 41, which states that there are now only an estimated 4.1 million occupied substandard housing units, as of 1970 or I should say not now, but as of 1970. That is a census figure as I understand it, and isn't it very misleading.

Isn't that estimate based on almost exclusively whether or not the unit has indoor plumbing?

Secretary LYNN. I'm not sure whether it is that alone or the over-crowding test—just a minute, if I might, Mr. Chairman.

It is both, Mr. Chairman, It is overcrowding, which is defined as I understand it of 1.1 or more persons per room, or lack of complete indoor plumbing.

Senator PROXMIRE. Isn't it true that a unit with no kitchen could be called standard?

Secretary LYNN. I am not certain, Mr. Chairman, but I think that is right. As I have said in testimony, before other committees, it seems to me these are very rough indicators, have been in rural areas of America that do not have complete indoor plumbing, where the housing to me appeared to be very adequate.

On the other hand, I have also visited places in the inner city where you can have indoor plumbing, and you wouldn't want to see any human being living there.

Senator PROXMIRE. Well, I would agree with that. In fact, the house I bought in Madison only a few years ago had no indoor plumbing for a while, and we did all right.

Now, there are other elements too, if the apartment is on the third floor, but the plumbing or the bathroom is in the basement, wouldn't that be classified as a standard unit?

Secretary LYNN. I don't know, Mr. Chairman. I can certainly check and provide that for the record.

(The information referred to follows:)

Senator PROXMIRE. If there is inadequate sleeping space, it could be classified as a standard unit, could it not.

Secretary LYNN. It would depend whether or not on the over-crowding test, you come up with the 1.1 or more people per room.

Senator PROXMIRE. Regardless of the size of the room?

Secretary LYNN. I think that is right.

Senator PROXMIRE. Now, if there is an absence of heat or light or ventilation, it could still be standard. Is that right?

Secretary LYNN. That is correct.

Senator PROXMIRE. Isn't it true that this definition makes no judgment about the environment?

Secretary LYNN. As to whether, for example, the community is safe, or whether there are good schools or adequate transportation, and the like—if you mean that, that is absolutely true.

Senator PROXMIRE. Well, if it is surrounded by freeways or railroad tracks, obnoxious fumes pour down upon it; if the lot next door is a garbage dump and full of rats, if there are no street lights, as you say, schools, police protection, or a rendering works down the block, it still could be regarded as standard, isn't that right?

Secretary LYNN. That is right, Mr. Chairman, and I would like to add at this point that it is the lack of good indications that has led us to the development of the National Housing Survey that we would expect to put into effect, very shortly, and if you would like, Mr. Moskow can explain briefly what we have in mind doing in that regard.

Senator PROXMIRE. Well, you see, this is why I object to it.

It shows quite a dramatic chart. Chart 41 shows quite a dramatic improvement with the number of substandard housing units going down dramatically, and then above standard housing units going up, and you have what appears to be about a 16 to 1 ratio now of standard to substandard.

But as we point out, on the basis of any criteria that it would seem to be relevant—or almost any, this is a very poor, weak index, and the amount of substandard housing is likely to be much higher than 4.1 million.

Secretary LYNN. I am not certain of that, Mr. Chairman. One of the things that I am trying to get a handle on is whether or not for example there are also biases built into it the other way around.

For example, as I understand it, there is a fair amount of housing for the elderly and studio apartments and the like, where there is at least an ambiguity as to whether or not you include an alcove for the bedroom area as a separate room, so that you could get distortions from the census person, saying, well, there are two elderly people living here and there is only one room, so there is overcrowding.

We are trying to get a handle on that, but what we have tried to do is use the best indicators we have had today. This of course raises the question as to how we can set any finite goals at all, if the data isn't the best to use, it does raise very nice questions as to whether or not you can put any goal with respect to the amount of housing at any given level.

Senator PROXMIRE. I just wonder if you couldn't spend $30 or $40,000 to do your own survey and come up with something more convincing in a pretty short time, as to housing needs.

CONCLUSION

Mr. PROXMIRE. Mr. President, the housing moratorium is an expensive and costly endeavor. The HUD experts have given no intelligent basis for it. Their answers involve a series of inconsistent statements and goals. Especially have they given no rational reason for stopping the public housing and section 235 programs.

Further, they have either failed to fund or stopped the counseling and rehabilitation programs which all the experts tell us are central to making the subsidized housing programs work.

They have also failed to examine the single most important recommendation for cutting housing costs, namely the public financing of subsidized housing which would cut the cost of meeting the 1968 Housing Act goals from $2 to $4 billion.

Their programs of "feast and famine," stop-again, start-again, and crunches and moratoriums actually add to both housing costs and urban costs in general. In this respect, HUD itself is an engine of inflation.

In addition, their policies mean that they have thrown in the towel in the effort—which is the law of the land—to meet the 1968 housing goals. Instead of raising the number of subsidized units in fiscal year 1974 from the present level of about 400,000 units to the necessary level of about 600,000 units, the number of new starts units will decrease by one quarter or to about 290,000 units.

Finally, both the President and HUD have greatly exaggerated the decrease in substandard housing in this country over the decade of the 1960's, and conversely they have vastly underestimated our housing needs.

I call upon the press and the public to examine the testimony of the housing experts, Secretary Lynn and the Mayors and determine for themselves how inadequate a presentation the HUD experts gave for their actions.

One can only conclude from that reading that the housing leadership in this administration has made a series of dreadful decisions based on totally inadequate information.

Instead of being called the Department of Housing and Urban Development, HUD should properly be termed the Department of No Housing and Urban Development. Or perhaps one should use its original acronym and call it DHUD—pronounced dud—instead of HUD.

DEFICIENCIES IN ADMINISTRATION HOUSING POLICIES

Mr. HUMPHREY. Mr. President, I compliment Senator PROXMIRE for his statement.

The housing needs of the country are great. The 1970 census of housing revealed that there were still 4.7 million year-round housing units lacking adequate plumbing. Another 4.5 million units were overcrowded. Even these figures vastly underestimate our needs, however, because there are additional millions of dilapidated old homes that have plumbing and are not overcrowded.

The problem of how to meet these needs is made all the more serious in the current inflationary environment. The median price for new homes sold this February was $30,000, 13 percent higher than a year ago and well beyond the reach of the average family in this country. This outrageously high cost is of course related to the price inflation the country has experienced in the components of housing.

First, the wholesale price of lumber has advanced 30 percent in the last year, which has increased the price of the average new home about $1,200.

Second, land prices for FHA new homes are on the average increasing about 17 percent a year.

Third, high interest rates greatly increase the homeowner's cost of purchasing a home. As it now stands, the financing of a house costs as much as the entire house—that is, as much as the land, the construction, the labor, and so on. At present interest rates, which have on average been a couple of percentage points higher in the last 4 years than throughout the sixties, about one-half of the American families cannot afford to buy a home, and the extra cost to those

who can afford to buy is tremendous. Two percentage points more in the interest rates increase the typical family's mortgage interest payment by $28 a month, $336 a year, or $8,400 over the life of a 25-year loan.

In the face of these housing needs and cost problems, the administration has developed no policy, and in fact, it has acted to make the situation worse. The moratoriums on Federal housing subsidies, water and sewer grants, and some community development programs are aggravating what was already a desperate housing supply situation for many low- and moderate-income families.

It was because of the conflict between the pressing housing needs of consumers in the current inflationary situation, and the adverse impact on consumers of the administration's housing budget cuts, that I initiated hearings on housing before the Consumer Economics Subcommittee of the Joint Economic Committee. The first of these hearings on housing was held on May 22, and I intend to hold more hearings on this subject during the course of the year. One of the major priorities of the Consumer Economics Subcommittee will be a continuing examination of how Federal budget priorities affect consumer well-being.

In our first day of hearings, the subcommittee heard from a distinguished panel of witnesses: James Scheuer, president, National Housing Conference; Charles Krusell, executive director, Greater Minneapolis Metropolitan Housing Corp.; Frank Kristof, director of economics and housing finance, New York State Urban Development Corp.; and Clay Cochran, executive director, Rural Housing Alliance. These witnesses reaffirmed the magnitude of the Nation's housing needs, criticized the administration's policy because it destroyed, rather than reformed existing housing programs, and made constructive proposals for improvement of the programs. I would like to bring just a little of the wisdom of these experts to the attention of the Senate today.

HOUSING NEEDS

Although the 1970 Census of Housing developed estimates of deficient housing of about 9.2 million families, our hearings developed information that the housing needs were even greater. Mr. Frank Kristof estimated that some 11 million families may be defined as in need of housing assistance as of 1970, in the sense that their present housing was either substandard or overcrowded. Although Kristof finds significant improvement in the quality of housing since 1960, this 11 million families with deficient housing constitutes 16 percent of all households.

Mr. Clay Cochran told the subcommittee that he believes the housing needs are even greater. Mr. Cochran argues that the traditional measures of housing deficiency ignore the cost of housing. The Bureau of Labor Statistics estimates for its most modest budget, that a family of four requires nearly $7,000 income for a decent standard of living including adequate housing. Since more than 30 percent of American families have incomes below that level, it can be assumed that (a) the related families are living in inadequate housing or (b) are paying so much for adequate housing that they have to sacrifice other elements in their standard of living. Cochran goes on to argue that it is therefore necessary for the Federal Government to subsidize 30 to 40 percent of housing production.

As one can see, by any measure the Nation has huge housing needs yet to be fulfilled.

HOUSING PROGRAMS THAT DO WORK

The administration has indiscriminately characterized all our housing programs as ineffective, not serving the poor, and wasteful. They have made these assertions without evidence, and they keep repeating the assertions over and over again in the hope that they will be accepted. When I asked the Office of Management and Budget for the evidence or studies that showed the programs were ineffective, I was sent quotes from old George Romney speeches. That the administration has not carefully evaluated these programs has been made painfully clear by the fact that Congress and the country are now standing around and waiting for HUD to finish its present evaluation of these programs.

The subcommittee hearings found ample evidence that some of the housing programs were very effective. Mr. Clay Cochran told the subcommittee about many of the successes of the Farmers Home Administration program—section 502. I know that this program has been scandal-free and effective, because I have carefully evaluated this program in Minnesota.

Mr. Charles R. Krusell told a similar story about the success of public housing for the elderly. Mr. Krusell described such housing in Minnesota, pointing out that:

(a) Public housing did serve low-income families because 85 percent of it went to single occupants with a monthly income of $150, and the remaining 15 percent went to couples with monthly incomes of $220 per month.

(b) Public housing in Minnesota is esthetically pleasing with the Minneapolis Star Art Critic describing it as a challenge for private builders.

(c) Public housing is not as expensive as its critics charge because it develops valuable capital assets. In addition to the moral distinctions, there is a unique economic difference between Federal money spent for bombs and the same money spent to develop public housing.

I could continue, but the point is made that many housing programs are working quite well, and the reform of housing programs that are not working well is not achieved by simply stopping all programs. The most elementary management principle is that you plan ahead and identify problems in a way that allows those problems to be corrected without going out of business. Mr. Jim Scheuer told the subcommittee how the administration's approach to housing is the direct opposite of this orderly process:

I don't think anybody at this table, and I am sure that would include you, Senator, would justify every single one of the existing housing programs.

We all know that they have flaws. We all know that some of them could be improved. We all know the intellectual underpinnings of some of them haven't stood the test of time over a generation and a half.

So I don't object to the fact that the current Administration wants to retreat to the mountaintop and have a good hard-nosed look at these housing programs and try and figure out which ones need building up and have worked very well and which ones of them have been a disaster and should be closed down if there are any and which ones of them should be changed, shifted, altered, modified.

What I do object to is the evident philosophy that we have to throw baby down the sink with the bath water.

To close down the senior citizen housing that Mr. Krusell has described to us is an outrage. Nobody has any serious objections to the way the senior citizen housing program is working in our country today. It is beautiful. Nobody objects to the way the water and sewer program is working today, and other programs.

We know the public housing program has presented us with some flaws, some problems and changes. We ought to have the brains to figure out how it can be altered, and enhanced so truly to meet the needs of the public housing constituency, and we have had a long discussion and a very intelligent one of how public housing can be fortified to be viable and real and intelligent and economical in achieving its goals. But we don't have to stop all of our public housing—we don't have to stop all of our housing programs, the good as well as the bad.

We ought to have the intelligence to say, well, let's continue for the next six months with things as they are and do our homework and come up with positive legislative proposals to continue the good ones and fortify them and do what is necessary for the ones that need improvement.

MISMANAGEMENT OF SUBSIDY PROGRAMS

What has primarily gone wrong with our housing programs is that they have been administratively mismanaged. The consumer—particularly the low-income family—has been ripped off because the administration simply did not carefully supervise these programs. Let me give you a few examples:

First. HUD did not carefully inspect many of the homes paid for with Federal subsidy dollars. A nationwide sample survey in 1971 by the HUD Office of Audit of 1,281 properties financed under section 235 found that about 24 percent of the new homes and 39 percent of the existing homes had significant defects. A review and verification of the findings of the HUD Office of Audit by the General Accounting Office, including reinspection of some of the same houses, led the GAO to conclude that appraisers had not been adequately trained, supervised, and did not adjust their thinking and attitudes to encompass the consumer-oriented needs of the new subsidy programs.

Second. HUD also did not provide the necessary counseling to the new homeowners. Low- and moderate-income homebuyers need counseling on family budgeting, financial responsibilities of homeownership and home maintenance, yet the General Accounting Office found "inadequate counseling on the part of HUD." Authorization for appropriations to support counseling was provided by sections 235 and 237 of the National Housing Act, which were enacted in 1968. HUD never requested an authorization for this purpose, but the Congress appropriated $3,250,000 for counseling in

fiscal year 1972. The effectiveness of counseling was demonstrated through the conduct of a comprehensive counseling and maintenance training program for section 235 homebuyers by the Milwaukee FHA office. A substantial number of the homebuyers were welfare mother heads of families. Nevertheless, there were very few loan defaults.

Third. HUD did not use adequate procedures to determine what were the factors leading to defaults. There are no HUD data as to the amount and location of mortgages insured on a city-by-city or neighborhood-by-neighborhood basis, hampering an assessment of potential losses, or of successes or failures under various programs in specific geographic areas. Initial default experience at 10 HUD field offices under the section 235 program showed variations in default rates ranging from a low of 2.2 percent in one office to about 20.1 percent in another. Such a range of default rates means that cause of defaults varies from area to area.

Fourth. HUD has also not fulfilled its responsibilities for code enforcement. The Congress has recognized that an important component of a strategy to improve the Nation's housing was preventive action to save houses before they could deteriorate into a slum condition and promote neighborhood flight. Thus, under the Housing Act of 1954, the Congress directed that Federal housing programs include rehabilitation of basically sound houses, and authorized Federal financial assistance to assist communities in enforcing housing codes under the code enforcement grant program. Unfortunately, the General Accounting Office has found numerous deficiencies in HUD's management of this program.

Fifth. Windfall profits—The administration has said that a major defect in the Federal housing programs is that they have provided windfall profits to middlemen. It is true that there have been windfall profits. But the administration has failed to point out that this has occurred because of mismanagement. One example is HUD's management of land valuation for section 236 projects. In 12 projects reviewed by GAO, in which the valuations were made within 24 months of acquisition by the owner, the cost of land to HUD increased by at least 25 percent.

FUTURE DIRECTIONS

It is difficult in this complicated area to set policy that will meet all the objectives we are trying to achieve. In part, the nature of our difficulty is that we are trying to achieve too much with our housing programs.

Mr. Frank Kristof provided the subcommittee with what seemed to be a package of housing programs to meet our housing needs. The basic redirection of Federal housing proposals would be directed at dividing expenditures in roughly three parts: First, community development, Second, housing production subsidies, Third, family housing assistance payments. Let me just elaborate on these three components a little.

First. Community development funds essentially would be the keystone of this three-pronged approach. In cities it largely would be conceived of as noncapital funds to provide financial support for neighborhood preservation and revitalization services. In such neighborhood preservation areas, community development fund expenditures would be used to augment neighborhood services such as garbage removal, street cleaning, removal of abandoned cars, filling potholes, repaving streets, repairing sidewalks, cleaning out garbage-filled lots, planting trees along sidewalks, improving public health—and drug addiction—services and, probably most important, to employ young neighborhood school drop-outs and unemployeds whose chronic presence without gainful pursuits is a source of difficulty to themselves and their neighbors.

Second. Housing production subsidies would be aimed at providing the most new housing for the minimum public outlays. Such production subsidies would benefit primarily middle-income families, and not the poor.

Third. Family housing assistance payment. It is with these funds that allocations would be made to permit low-income "housing-poor" families to move from inadequate or substandard housing into satisfactory housing. These funds would permit low-income families to find housing in subsidized new or rehabilitated housing or in standard existing housing in the private market. Use of family assistance payments in the private market would be confined to housing surplus areas where owners of existing standard housing—in code compliance—are having difficulty obtaining tenants able to pay sufficient rents to properly maintain the properties.

Whether we accept all of Mr. Kristof's package or just parts of it, it does represent the kind of comprehensive thinking we need to solve our housing problems. I will have more to say about what our future housing strategy should be at a later time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I thank the Chair.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973—ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition later today of the Kennedy amendment, No. 176, to the farm bill, the Senator from Indiana (Mr. BAYH) be recognized to call up an amendment.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of an amendment by Mr. BAYH to the farm bill, the distinguished Senator from New York (Mr. BUCKLEY) be recognized to call up an amendment.

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

Mr. ROBERT C. BYRD. Mr. President, when the first unanimous-consent agreement was reached the day before yesterday with reference to S. 1888, the farm bill, there was some question as to whether or not three amendments to be proposed by the distinguished junior Senator from Indiana (Mr. BAYH) might be germane. The matter was discussed with the two managers of the bill, Mr. TALMADGE and Mr. CURTIS, and a common understanding was reached between the two managers of the bill that the three amendments to be proposed by Mr. BAYH should be allowed, under the agreement, to be in order. Consequently, the agreement included such a provision.

On yesterday, the revised agreement by Mr. MANSFIELD did not include that proviso, because I inadvertently failed to call it to the distinguished majority leader's attention.

Mr. BAYH already has disposed of one of his amendments. I ask unanimous consent that his remaining two amendments may be in order, in the spirit of the original agreement.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at this time there be a period for the transaction of routine morning business, with statements limited therein to 3 minutes, the time to be charged against the time under my control.

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

QUORUM CALL

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

The PRESIDING OFFICER (Mr. PROXMIRE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining under the order?

The PRESIDING OFFICER. The Senator had 3 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR ADJOURNMENT UNTIL MONDAY, JUNE 11

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

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

ORDER FOR RECOGNITION OF SENATORS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been

recognized under the standing order on Monday next, the able assistant Republican leader (Mr. GRIFFIN) be recognized for not to exceed 15 minutes and that he be followed by the junior Senator from West Virginia (Mr. ROBERT C. BYRD) for not to exceed 15 minutes.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the recognition of Senators under the orders previously entered on Monday next, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 3 minutes.

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

ORDER TO CONSIDER NOMINATION OF ROBERT H. MORRIS TO BE A MEMBER OF THE FEDERAL POWER COMMISSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the farm bill today, the Senate go into executive session to consider the nomination of Mr. Morris.

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

ORDER TO CONSIDER STATE DEPARTMENT AUTHORIZATION BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the close of executive business today, the Senate return to the consideration of legislative business and that the Senate then proceed to the consideration of the bill making authorizations for appropriations for the State Department.

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

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

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE FISCAL AND MONETARY CRISIS OF OUR COUNTRY

Mr. HARRY F. BYRD, JR. Mr. President, on Tuesday past the Deputy Under Secretary of the Treasury, Mr. Jack Bennett, testified before the Subcommittee on International Finance and Resources, which was holding hearings on the present financial and monetary crisis. I use the word "crisis" because that is the way it was described by one of the able fiscal and monetary experts in our Nation—William McChesney Martin, former Chairman of the Federal Reserve Board.

In his testimony and in reply to questions from committee members, Deputy Under Secretary of the Treasury Bennett shocked me in at least one respect. In my querying of Mr. Bennett, I brought out the fact that the Federal Government is running and has been running smashing deficits.

I asked Mr. Bennett whether that was cause for concern. Mr. Bennett said, no, that he was not concerned about these tremendous deficits which the Federal Government has been running.

Mr. President, I must say that I am shocked at that statement. Undoubtedly it represents the thinking in the Treasury Department. And if the Treasury Department is not concerned about the Federal funds deficits which have been running at the rate of $30 billion a year, then I think that suggests that it will be a long time before this Government puts its financial house in order.

Mr. TALMADGE. Mr. President, will the Senator yield at that point?

Mr. HARRY F. BYRD, JR. I yield to the distinguished Senator from Georgia.

Mr. TALMADGE. Mr. President, does not the Senator from Virginia think it is a cause for concern when the American dollar has been devalued twice in 16 months and continues to be devalued overseas in most countries by 30 percent in a year and a half?

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Georgia is correct. That is cause for deep concern. And the reason why the dollar has been devalued is the lack of confidence of the people of the world in the American dollar. That goes back to the smashing deficits which the Federal Government has been running.

The Senator from Georgia is so correct in what he says, that there is cause for deep concern as to what is happening to the American dollar. However, I do not see any concern on the part of the Treasury officials, if Mr. Bennett's testimony is indicative of the thinking in the Treasury Department, and I think it is. I think it is very discouraging.

Mr. TALMADGE. Mr. President, if the Senator will yield further, I ask the Senator from Virginia if he does not think it is also cause for concern when inflation at the present time is the highest we have ever had in 22 years, since the war in Korea?

Mr. HARRY F. BYRD, JR. I certainly do think so. And I think that these government deficits are the major cause of the inflation we are having. Incidentally, I put that question to William McChesney Martin when he testified before this subcommittee of the Finance Committee, as to whether in his judgment these continued, huge government deficits represent the major cause for this inflation we are experiencing. He replied then in the affirmative, that in his judgment it is the major cause.

Yet we find one of the top people in the Treasury Department, who undoubtedly reflects the thinking in that department, who says that it is not a cause for concern.

I want to say again that I am shocked at his testimony.

He said that next year we are going to have a surplus in the full employment budget. In the first place, no one says that we are going to have full employment. The full employment budget is a myth. No one knows what the figures are in regard to a full employment budget. It is a device whereby some smart people in the Treasury Department or elsewhere can pull a figure out of a hat which means nothing, and then say, "Oh, yes. We are going to have a surplus on that basis."

The so-called full employment budget is based on the theory that we can spend the money we presumably would take in if—if the Government had full employment, which it does not have and does not expect to have.

That, to my mind is like saying, "I would not be broke if my uncle had left me a million dollars."

The full employment budget is a lot of nonsense.

I want to read into the RECORD at this point just what the facts are in regard to the Government deficits. I am speaking now of the Federal funds deficit, which is the way that our Government has historically calculated its financial situation:

> In a four year period, from fiscal '71 through fiscal '74, the accumulated federal funds deficit will equal $106 billion. We had a $30 billion federal funds deficit in 1971; $29 billion in 1972; and $28 billion for this current fiscal year, and the Treasury Department projects a $19 billion deficit for next year. Yet one of the top people in the Treasury Department says that he has no concern.

No cause for concern, he says, when the accumulated Federal funds deficit for 4 years will equal or exceed $106 billion?

It is no wonder that the American dollar is becoming less valuable all over the world. The foreign bankers, the foreign businessmen, the foreign people see what we in this country do not seem to be able to see. They see that we are depreciating our own currency by our own acts.

The dollar will continue to deteriorate in value as long as we continue to run these huge deficits.

Mr. President, I ask unanimous consent that my questions of the Treasury Department representative and his replies, together with some questions by other members of the committee and the answers thereto, be printed in the RECORD at this point.

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

> Senator BYRD. Thank you, Mr. Secretary. I suggest the Committee follow the ten-minute rule on the questioning.
>
> First, let me say that I think the President, President Nixon, and Secretary Connally took a very important and desirable step in August of 1971. I agree with you, with what you say in regard to that matter, but now we come to 1973. Let me ask you this, how can you account for the erosion of confidence in the American dollar?
>
> Mr. BENNETT. Mr. Chairman, in the September of 1971 period, Secretary Connally at the Annual International Monetary Fund

Conference suggested to the other governors that they stop intervening to hold up the price of the dollar and for an interim period they let the market move the dollar to a realistic level. The other governments would not agree. They limited the movement of the dollar. And finally, after hard negotiations, in December of 1971 we struck a deal at the Smithsonian that we would take off our ten percent import surcharge and they would make more substantial moves in the points at which they were intervening and allow the dollar to decline.

We argued for a greater change. We thought more was needed, but ultimately we struck a deal to get the changes we did get, and——

Senator BYRD. Mr. Secretary, I don't want to interrupt you, but that was not my question. My question was, how do you account for the erosion of confidence in the American dollar?

Mr. BENNETT. I am attempting to explain that as best I can.

At that time we wanted a larger change but we accepted what we got knowing that no one could be confident as to what was needed. As it turned out, over the following year it appeared that we had been right; that our trade bill did not show a large improvement. In fact, in the latter part of 1972 it was going the wrong way. That was the basic cause for the lack of confidence that led to changes in early 1973.

Senator BYRD. In other words, it was a heavy adverse trade balance and balance of payments that led to the lack of confidence or the deterioration in the confidence of the dollar?

Mr. BENNETT. That and the further changes early in this year.

To put it more broadly, however, I think you can say that those changes in February completed the elimination of the large backlog of the need for a change in the United States balance that had built up over the sixties. We finally got that out of the system early this year.

Senator BYRD. Yesterday Secretary Shultz told the Ways and Means Committee that he was somewhat puzzled over the weakness of the dollar. This morning you tell us there is not a crisis. I am somewhat puzzled myself.

How do you reconcile your position with that of Secretary Shultz?

Mr. BENNETT. There are factors that I can understand as to why the changes in more recent days arose. I mentioned several of them. I am somewhat puzzled, Mr. Chairman. I have the feeling that the reaction may have exceeded the justification. In that sense I am also puzzled.

On the other hand, it has led to no crisis in the sense that trading is difficult. It has led to no crisis in the sense that it is difficult to make foreign exchange transactions or to carry out trade. The changes have taken place in the market gradually.

There has been no need for monetary officials to go jetting off to hurriedly called meetings or to close the foreign exchange markets.

Senator BYRD. Do you feel the United States has a responsibility to defend the dollar or to allow it to be continuously devalued by the so-called free market?

Mr. BENNETT. As you know, I do not expect a continued devaluation. In fact, on balance I expect it will be moving in the other direction in the coming months.

Senator BYRD. Let me phrase my question this way, William McChesney Martin in testifying last week said he felt that the United States government should vigorously defend the dollar. Do you agree with that or not?

Mr. BENNETT. I do not agree with it. I think there is perhaps a basic difference and I have never had the pleasure of working with the Chairman, but in the relative weight that he puts, and I would put, on the domestic economy and the international exchange rate, there is a difference. We want stability to the extent it facilitates international business and we want stability in the international rate, but our primary concern is to insure that we are following the appropriate domestic policies.

Senator BYRD. Well, now, that is the point that concerns me; are we following the appropriate domestic policies?

Mr. BENNETT. At the moment I believe we are. With hindsight one could say it is too bad we certainly weren't tighter late last year because obviously the growth rate was too rapid, was too fast in the first part of this year.

At the moment I believe we are following them.

Senator BYRD. I assume you are speaking about fiscal policies?

Mr. BENNETT. I am speaking about fiscal policies.

Senator BYRD. What about monetary policies?

Mr. BENNETT. To the best of my ability, to the best of my understanding, I agree with the monetary policies.

Senator BYRD. I am sorry. I didn't understand that.

Mr. BENNETT. I said, I have the same feeling with respect to our monetary policies.

Senator BYRD. Well, now, our fiscal policies are in a rather devastating state; are they not?

Mr. BENNETT. Our fiscal policies at the moment are in surplus and the surplus will be increasing on a full employment basis.

Senator BYRD. You said that our fiscal situation is in surplus?

Mr. BENNETT. In a full employment basis, yes.

Senator BYRD. Let's get down to actual figures. Let's get down to figures on the federal funds budget.

Now, for fiscal 1973, which ends at the end of this month, what will be the surplus?

You said a surplus?

Mr. BENNETT. There will be no surplus.

Senator BYRD. Or what will be the deficit on the federal funds budget?

Mr. BENNETT. For the fiscal year just ended the unified deficit will be 17.8 and I believe the federal funds deficit is larger. I don't have the exact number in mind here. It is larger.

Senator BYRD. It is considerably larger?

Mr. BENNETT. Yes, sir. But with respect to the performance of the economy—

Senator BYRD. Now, wait, let's stick with this one question until we get this settled.

So that on a unified basis, which means that after you use your surplus from the trust funds, you will still have a deficit of $18 billion; is that correct?

Mr. BENNETT. Yes, sir.

Senator BYRD. All right, now you don't have the figure for the federal funds?

Mr. BENNETT. Yes, sir, I have it.

Senator BYRD. What is that?

Mr. BENNETT. $27.9 billion for the fiscal year 1973.

Senator BYRD. So you will have a deficit then by your own figures of $28 billion; a federal funds deficit of $28 billion, and yet you assert that we will have a surplus?

Mr. BENNETT. I said that for the coming fiscal year we will have a surplus and a full employment basis, which is most relevant to the effect of that budget on the performance of the economy.

Senator BYRD. If it is most relevant to the effect of that budget, why has Secretary Shultz before the Ways and Means Committee asked for an increase in the debt limit? The debt is based on the federal funds deficit.

Mr. BENNETT. The increase in that ceiling is required in order that the Executive Branch may be permitted to allow the trust funds to invest in United States Treasury obligations.

Senator BYRD. There would be no need for an increase in the debt ceiling—and correct me if I'm wrong—there would be no need for an increase in the debt ceiling if we had a surplus in the federal funds budget, would there?

Mr. BENNETT. That is right.

Senator BYRD. Now, let's get to fiscal year 1974. What are your projections now as to the unified budget surplus or deficit?

Mr. BENNETT. The unified forecasts for fiscal '74 is a deficit of $2.7 billion.

Senator BYRD. What is the forecast for the federal funds deficit?

Mr. BENNETT. $18.8 billion.

Senator BYRD. So that even with this great improvement that you cite, there will be a deficit of $19 billion in the federal funds budget for fiscal '74; is that correct?

Mr. BENNETT. Yes, sir.

Senator BYRD. And there will be a deficit of $28 billion this year?

Mr. BENNETT. Yes, sir.

Senator BYRD. Now that $28 billion deficit for the current fiscal year is almost identical with the highest deficit the country has had prior to 1971, which was the Johnson deficit of $28.4 billion.

Now, candidate Nixon in 1968 strongly and vigorously condemned that deficit. The Senator from Virginia strongly and vigorously condemned that Johnson deficit of $28 billion. Now, I am just wondering why it is such a terrible thing, which I think it is, to have a $28 billion deficit under Lyndon Johnson but such a fine thing to have a $28 billion deficit under Richard Nixon?

Mr. BENNETT. In my view, Senator, it depends on the circumstances. Earlier in that fiscal year we were not at the state of production the economy has reached late in this fiscal year. Early in the fiscal year just ending there was some need for stimulus for our economy.

Now there isn't and now we are providing no stimulus through a budget deficit.

Senator BYRD. Now, the record shows clearly all through here for anyone who wants to look at the figures that never in the history of the country have we run such smashing deficits except during World War II when we had 12 million men under arms and were fronting a war on two fronts.

Never before has anything approached this, more than $100 billion in four years; are you concerned about that?

Mr. BENNETT. I am also aware that over those recent years we have moved from a low or negative level of growth to a high level of growth in our economy, Senator.

Senator BYRD. Am I to take that to mean that you are not concerned about those deficits?

Mr. BENNETT. At the moment I feel our budgetary policy is correct and in that sense I am not concerned.

Senator BYRD. You are not concerned about $100 billion accumulated federal funds deficit in four years?

If that is the case, I don't have any further questions at the moment.

Senator BYRD. Senator Haskell?

Senator HASKELL. I just have one question, Mr. Chairman.

Does it bother you, Mr. Secretary, from the monetary viewpoint that since January my understanding is that the consumer price index has risen on an annualized basis of 9.6 percent and more importantly from my viewpoint the industrial commodities index on a seasonally adjusted basis has risen 14.8 percent. Does this concern you as a monetary expert?

Mr. BENNETT. Yes, sir.

Senator HASKELL. What would you do about it?

Mr. BENNETT. Unfortunately I cannot do anything now about a period prior to that, and can only address myself to the period ahead.

The period ahead, I think we are doing the right things. We are moving into a budgetary surplus. As I say, we are probably there. We

are having a restrictive monetary policy and we are trying to do those basic things that will improve the productivity of the economy. That is what I would like to do.

Senator BYRD. Would the Senator yield?

I want the record to show you are not moving ahead to a budgetary surplus if you figure that surplus on either the federal funds basis or the unified budget concept basis.

Mr. BENNETT. I agree with you, Senator, but I think for the purpose of fighting inflation—imperfect as all of these measures are—the full employment basis is probably the best basis—

Senator BYRD. Well, excuse me, but that is something entirely new and completely nebulous. No one knows what a full employment budget is. You don't even expect to have full employment.

I am sorry for the interruption, Senator Haskell.

Senator HASKELL. Well, I gather, then, Mr. Secretary, that you feel that strictly by monetary controls you can change these adverse circumstances as revealed by those two indices that I commented on?

Mr. BENNETT. There are already indications that that may be happening, yes.

Senator HASKELL. Thank you.

I have no further questions.

Senator BYRD. Mr. Secretary, I must say that I am shocked at the lack of concern that the Treasury Department shows in these huge and continuously expanding government deficits.

It is shocking that your comment in reply to my question a little while ago was that you are not concerned about these deficits. I don't see how we are going to get our problems under control until the persons responsible regard them as a problem.

Here in a four year period, from fiscal '71 through fiscal '74, the accumulated federal funds deficit will equal $106 billion. We had a $30 billion federal funds deficit in 1971; $29 billion in 1972; and $28 billion for this current fiscal year, and you project a $19 billion deficit for next year. Yet one of the top people in the Treasury Department says that he has no concern.

Let me ask you this. What is the amount the Treasury Department seeks in the current budget to pay the interest on the national debt?

I will give you the answer. It is $26.1 billion.

Mr. BENNETT. Yes, $20 billion something.

Senator BYRD. $26.1 billion.

Mr. BENNETT. Yes, sir.

Senator BYRD. That has doubled in eight years. In 1967 the interest charges were $13.4 billion. They are now $26.1 billion.

Who pays that interest, the guy who goes out and works in the plants and factories and earns a living, pays it.

Seventeen cents of every personal and corporate income tax dollar paid into the federal treasury goes for that one purpose, namely, to pay the interest on the debt and the Treasury Department is not concerned about this problem.

Now, let me ask you this. I will assume you will agree that we are in a period of inflation?

Mr. BENNETT. Yes, sir.

Senator BYRD. You do agree to that?

Mr. BENNETT. Yes, sir.

Senator BYRD. What, in your judgment, is the major cause of the inflation we are experiencing?

Mr. BENNETT. With hindsight, it is quite possible to say three things: over the years, the budget deficits were too high, that over the past period, with hindsight, perhaps our monetary policies should have been tighter, and certainly over the periods past we did not take sufficiently strong measures to remove the impediments to the productivity of our economy.

Senator BYRD. William McChesney Martin testified last week that while there were various reasons for the inflation—and you have cited some of them—that the major reason in his judgment are these continued huge government deficits.

I take it that you don't regard that as a major reason, though?

Mr. BENNETT. I would like to distinguish it as best I can from the accumulated past and the exact present moment. In other words, at the moment I do not think we have cause for serious concern about the state of our budgetary outlook.

Senator BYRD. Well, if you are right about that—and I don't think you are—there isn't much reason for us in the Congress to take the political heat, so to speak, and vote to sustain the President's veto on many of these bills. I voted to sustain his veto because I think we are in a very desperate situation financially.

Mr. BENNETT. Senator, I would agree with you that if this restraint were not exercised, if you did not continue to show responsibility, we would be in trouble—

Senator BYRD. Continue to show? We haven't even begun to show restraint, and the figures show that. Again I cite: We had a $30 billion deficit in 1971; we had a $29 billion deficit in 1972; and we had a $28 billion deficit in 1973—you might say we are improving, and I suppose that is some improvement—and you project a $19 billion deficit for next year, which may or may not be accurate because the Treasury forecasts have not been very accurate in recent years, and I think you will admit that for whatever the reason.

Mr. BENNETT. Yes, sir.

Senator BYRD. Now, on page 1 of your testimony you say that you feel that is a considerable overstatement to describe the present situation as a monetary crisis.

Mr. BENNETT. Yes, sir.

Senator BYRD. On Friday, William McChesney Martin told the Subcommittee, and I quote, "I think it is good that your Committee is taking a look at this international financial crisis"—and I am quoting from a transcript—"because I think in this instance crisis is the right word, given the $10.2 billion payments deficit in the first quarter, the huge speculation against the dollar abroad, a current annual rate of inflation of 9.2 percent of the consumer prices, and a drop of more than 100 points in the stock market during the past five months."

How would you characterize the present situation?

Mr. BENNETT. One thing I would point out, that we are at the moment having a balance of payments surplus and not a deficit. We had that since the first week in March.

Senator BYRD. Did we not have a balance of payments deficit of $10.2 for the first quarter of this year?

Mr. BENNETT. Yes, we did but since the first week in March we have had a surplus.

Senator BYRD. Do you expect that surplus to continue to the end of the year?

Mr. BENNETT. I expect we may have overall deficits in some of the coming periods, but over the next several years, we will have a balance surpluses.

Senator BYRD. Several years, I heard you say?

Mr. BENNETT. Yes, we have a surplus now and we will have surpluses over that period, but there will be perhaps periods in between when we have deficits.

Senator BYRD. Even if you don't use the word, crisis, Mr. Martin feels it is appropriate. How do you characterize the present situation; rosy?

Mr. BENNETT. As far as the international area is concerned, I would say that we have been rewarded in that the system put in place in February and March has showed its resilience; it has showed its strength and its viability.

Senator BYRD. Do you think devaluation is a solution?

Mr. BENNETT. As I said earlier, I do not expect this Congress to be asked again to change the par value of the dollar.

Senator MONDALE. Would you yield there?

As a matter of fact, devaluation is going on right now. It isn't a formal devaluation, of course, but what would you call it?

Mr. BENNETT. In the marketplace the dollar has reduced in value. You can use the word devalued.

Senator MONDALE. Sure, because that is what it is. What is a devaluation? It is the relationship of, say, the dollar to the German mark; isn't it? And hasn't it devalued further since the two official devaluations?

Mr. BENNETT. The devaluation, as you say, is a word of many meanings and sometimes it is used to refer to that thing which has happened in February and then again in December of '71, which is a formal change. In the marketplace the dollar can devalue or depreciate day by day.

Senator MONDALE. Which way has it been going?

Mr. BENNETT. I hope you got a copy of my chart that shows it has been going in one direction the last couple of days——

Senator MONDALE. Which way?

Mr. BENNETT. The dollar has been weakening relative to the European currency, or to put it another way, they have been increasing relative to the dollar.

Senator BYRD. Do you expect a balance of payments surplus for the second quarter?

Mr. BENNETT. Yes, sir.

Senator BYRD. As an expert, would you tell a non-expert, what does the rise of price of gold mean?

Mr. BENNETT. It means gold has become too valuable to waste on money.

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

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, does the distinguished senior Senator from Virginia yield back the remainder of his time?

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

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a resumption of the period for the transaction of routine morning business, with statements therein limited to 3 minutes, and that the period not extend beyond the hour of 10 o'clock a.m.

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

REFERRAL OF A BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced yesterday by the Senator from Illinois (Mr. STEVENSON), S. 1954, to provide for public financing of campaigns for Federal elections, which was referred to the Committee on Rules and

Administration, be referred for 45 days to the Committee on Finance and Commerce, if and when it should be reported from the Committee on Rules and Administration, for their consideration of sections repealing or amending laws handled by the Committees on Finance and Commerce, if those provisions are retained in the bill when reported, and if not reported within 45 days by the Committee on Finance and Commerce, the bill will automatically be placed on the Calendar.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. 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. COX'S MISTAKEN SENSE OF PRIORITIES

Mr. HASKELL. Mr. President, I should like to remark briefly upon a course of action that an old friend of mine, Mr. Archibald Cox, is pursuing, which I think is mistaken.

I preface this statement by emphasizing the fact that in my judgment Mr. Cox is a man of high integrity, great ability, and excellent motivation. Nevertheless, Mr. Cox is seeking to curtail the investigation of the Select Committee on Presidential Campaign Activities, chaired by my distinguished colleague, Mr. ERVIN, and I think he is mistaken in that respect.

First, I would submit, Mr. President, that the President of the United States could ask for the resignation of Mr. Richardson at any time. If Mr. Richardson were removed Mr. Cox would be removed, and that would be the end of the effective Justice Department investigation.

But more than that, Mr. President, I think it is of vital importance that every man, woman, and child in the United States become aware of the effort to sabotage our form of government. That effort goes under the broad umbrella of Watergate. Mr. Cox is concerned that some who may be guilty go free—because of immunity or some other legal obstacle. I submit this misses the point—the matter of overriding importance is that our country is informed of the great danger—and I might say the close call—which all of us have had by reason of this incident known as Watergate—the danger of losing our constitutional form of government and our basic freedoms too often taken for granted.

For that reason, Mr. President, I speak in the hope that Mr. Cox will rethink his position as to what is most important—and take the broad view—that of alerting and informing the country rather than a narrow legalistic view.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. METCALF):

A resolution adopted by the City Council of Fresno, Calif., relating to the need to provide for continuity of funding for Federal categorical community development program. Referred to the Committee on Banking, Housing and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Agriculture and Forestry, without amendment:

S. 1938. A bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1974 (Rept. No. 93-200).

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, without amendment:

S. 1413. A bill to increase the authorization for fiscal year 1974 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped (Rept. No. 93-201).

EXECUTIVE REPORTS OF A COMMITTEE

Mr. NUNN. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of 55 temporary appointments in the Army to the grade of brigadier general, and that Lt. Gen. John H. Hay, Jr., U.S. Army, be placed on the retired list in that grade; 10 temporary promotions in the Navy to the grade of rear admiral; and, in the Air Force that Lt. Gen. Gordon M. Graham be placed on the retired list in that grade, Maj. Gen. Donavon F. Smith be promoted to the grade of lieutenant general, Lt. Gen. Royal B. Allison be placed on the retired list in that grade and Maj. Gen. Earl O. Anderson, Air Force Reserve, be temporary major general. I ask that these names be placed on the Executive Calendar.

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

The nominations, ordered placed on the Executive Calendar, are as follows:

Robert G. W. Williams, Jr., and sundry other officers, for temporary promotion in the Navy;

Lt. Gen. John H. Hay, Jr., Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general;

Lt. Gen. Gordon M. Graham (major generay, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general;

Maj. Gen. Donavon F. Smith (major general, Regular Air Force), U.S. Air Force, to be assigned to a position of importance and responsibility designated by the President, to be lieutenant general;

Maj. Gen. Earl O. Anderson, Air Force Reserve, to be temporary major general;

Lt. Gen. Royal B. Allison (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general; and

Col. William R. Wray, and sundry other officers, for temporary appointment in the Army of the United States, in the grade of brigadiers general.

Mr. NUNN. Mr. President, in addition, there are 529 for promotion in the Army in the grade of colonel and below and in the Reserve of the Army there are 417 for promotion in the grade of colonel and below—includes 18 to be colonel and 25 to be lieutenant colonel in the Army National Guard. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

The nominations, ordered to lie on the desk, are as follows:

Anthony J. Adessa, and sundry other officers, for promotion in the Army of the United States; and

C. A. Anderson, Jr., and sundry other officers, for promotion in the Reserve of the Army of the United States.

INTRODUCTION OF BILLS AND JOINT RESOLUTION

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. ERVIN (by request):

S. 1969. A bill to authorize the head of an executive department, a military department, an agency, or an independent establishment in the executive branch to render emergency assistance in certain circumstances. Referred to the Committee on Government Operations.

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

S. 1970. A bill for the relief of Carl Johnstone, Jr. Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 1971. A bill to increase certain penalties for offenses involving the unlawful distribution of certain narcotic drugs, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. PERCY:

S. 1972. A bill to further amend the U.S. Information and Educational Exchange Act of 1948. Referred to the Committee on Foreign Relations.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTION

By Mr. ERVIN (by request):

S. 1969. A bill to authorize the head of an executive department, a military department, an agency, or an independent establishment in the executive branch to render emergency assistance in certain circumstances. Referred to the Committee on Government Operations.

AUTHORIZING HEADS OF EXECUTIVE DEPARTMENTS, AGENCIES, AND INDEPENDENT ESTABLISHMENTS TO RENDER EMERGENCY ASSISTANCE

Mr. ERVIN. Mr. President, I introduce, by request, a bill to authorize the head of an executive department, a military department, an agency, or an independent establishment in the executive branch to render emergency assistance in certain circumstances.

This legislation was requested by the Secretary of Transportation and I ask unanimous consent to have printed in the RECORD a letter from the Secretary

of Transportation explaining the need for this proposed legislation, together with the text of the bill.

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

S. 1969

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of May 27, 1955 (69 Stat. 66; 42 U.S.C. 1856–1856d) is amended to read as follows:

"SEC. 3. In the absence of any agreement authorized or ratified by section 2 of this Act, each agency head is authorized to render fire or other emergency assistance to protect persons or property at any place where appropriate facilities and personnel of that agency are available and can be effectively utilized, as determined under regulations prescribed by each agency; and except where expressly prohibited by the Posse Comitatus Act, 18 U.S.C. 1385."

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., May 4, 1973.

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

DEAR MR. PRESIDENT: Enclosed for introduction and referral to the appropriate Committee is a draft bill:

"To authorize the head of an executive department, a military department, an agency, or an independent establishment in the executive branch to render emergency assistance in certain circumstances."

This bill would enable the head of a Federal department, agency, or independent establishment ("agency") to expand the authorized scope of employment of certain of his employees who are trained and equipped to provide assistance in response to emergency situations related to Government operations. While these employees act within the scope of their employment when an emergency is related to the agency's operations, their status when they respond to other emergencies causes concern. Under the bill, an "agency head" could authorize his employees to provide emergency assistance anywhere they are available and able to do so, and in this way, ensure that they are covered by the Federal Employees' Compensation Act and the Federal Tort Claims Act.

At several of this Department's facilities, we maintain personnel who are trained and equipped to render various kinds of emergency assistance, including first aid, rescue, fire fighting, and police aid. We maintain this emergency response capability for the specific purpose of responding to emergencies that arise in the course of our operations. For instance, we maintain emergency rescue facilities and personnel at the airports we operate, such as Washington National Airport and Dulles International Airport. At these airports, emergency units are ready to respond to emergencies ranging from aircraft accidents on ramps or runways, through personal injuries in the terminal, to automobile accidents on airport roads. Although these units are also capable of responding to emergencies that do not arise in the course of our operations, they are not authorized to do so.

Occasionally, an emergency situation that is unrelated to our operations may arise beyond the limits of our installations. In this case, our personnel may have first choice of the emergency or may be more readily available than emergency units of the local authorities. A common example might be an accident occurring on a street or highway adjacent to one of our airports, and involving serious personal injury to automobile occupants or to pedestrians. Other examples might include responding to a distress call from a capsized boat in the Potomac River near Washington National Airport, or dispatching personnel and equipment during heavy snows to aid stranded motorists on highways in the vicinity of Dulles International Airport. In these situations, at the very least, we would find it most difficult to justify denying, solely on jurisdictional grounds, emergency assistance to a person who may be in danger of life or limb On the other hand, if our personnel do respond and provide emergency assistance, we would find it equally difficult to justify denying them the statutory employment compensation and tort liability protections that a Federal employee otherwise enjoys.

This bill would authorize an "agency" in the executive branch (including the Department of Transportation) to use appropriate facilities and personnel in emergencies that are unrelated to its operations in those limited and special circumstances where the accessibility or special capability of its units may permit a more effective response than that of the local authorities. The head of the agency concerned would issue regulations and guidelines governing the situations in which its employees may provide emergency assistance and establishing the classes of personnel and kinds of equipment that may be used.

The bill would amend section 3 of the Act of May 27, 1955 (42 U.S.C. 1856–1856d) that provides limited authority for the head of an "agency" (as defined in section 1(a) of that Act) to provide fire protection service in the vicinity of an installation where that agency maintains fire protection facilities, without there being a reciprocal agreement under section 2 of that Act. The bill would create for Executive agencies generally an authority similar to that available for many years to the Coast Guard (now within this Department). The Department of Transportation considers this authority to be in the public interest, and recommends that it be made available throughout the executive branch.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this proposed legislation to the Congress

Sincerely,

CLAUDE S. BRINEGAR.

By Mr. SCHWEIKER:

S. 1971. A bill to increase certain penalties for offenses involving the unlawful distribution of certain narcotic drugs, and for other purposes. Referred to the Committee on the Judiciary.

Mr. SCHWEIKER. Mr. President, I am today introducing a bill which will increases the penalties for offenses involving the unlawful distribution of any mixture containing narcotic drugs as defined in the Controlled Substances Act and ask that it be appropriately referred.

We all know that the drug problem today is a national crisis—and yet, with only a few exceptions, we have not yet taken crisis countermeasures at either the State or Federal levels. The average time spent in prison for a Federal conviction of trafficking in drugs is less than 2 years, and 27 percent of those convicted do not receive any prison time at all. I do not understand, Mr. President, why we have been willing to send the defendant who commits one violent murder away to prison for life, while permitting the drug pushers who deal death to thousands on a calculated business basis to walk our streets, spreading their poison.

And not only does the drug pusher survive, he prospers. In connection with recent hearings on this subject in Philadelphia, I learned that it is not unusual for a drug distributor to earn $5,000 per day, or well over $1 million a year. If we are ever to break the drug distribution chain, we must put these distributors out of business—and not simply for 21 months at a time, as we do now, but out of business for life.

My bill today provides drastic measures to break this chain. It provides that the nonaddict pusher who is over 18 years of age and who is convicted of distributing more than 2 ounces of a narcotic drug shall receive a mandatory life sentence—with no possibility of probation, parole, or a suspended sentence, and regardless of his prior record. It provides that the nonaddict pusher who distributes less than 2 ounces of a narcotic drug shall receive a minimum mandatory sentence of 10 years in prison, again, with no possibility of probation, parole, or suspended sentence.

This sounds harsh. It is harsh. And Mr. President, I am happy to face the criticism that I have been harsh on drug pushers, because I believe we must be harsh on those who have systematically become millionaires by selling poison to a generation of American children.

And yet, while being harsh, we must be fair. We must preserve our constitutional protections, and we must make distinctions which will insure that no innocent person is ever convicted under this law. The legislation which I propose today makes three such distinctions which are not presently in our law.

First, it distinguishes between the addict and the nonaddict for purposes of penalties, with the nonaddict, the businessman-pusher, receiving the stiffer sentence. This is because the addict, who desperately sells a small amount of drugs to support his habit, cannot in fairness be held to the same degree of criminal responsibility as the nonaddict who simply makes a business decision to push drugs. My bill provides for an examination prior to arraignment to determine whether an accused person is addicted to drugs, with the results of such examination being inadmissible on the issue of guilt.

Second, my bill provides for different penalties according to the quantity of drugs involved. Our present law makes some effort to accomplish this, but I think it needs refinement. My bill provides for a sentence of up to 3 years for distributing less than one-sixteenth of an ounce of narcotic, 10 to 20 years for more than one-sixteenth, but less than 2 ounces, and life imprisonment for the nonaddict distributing over 2 ounces. Again, this sounds harsh, but statistics from the Bureau of Narcotics and Dangerou Drugs indicate that one-sixteenth of an ounce equals approximately 20 100-milligram bags—which is enough to support an addict for 2 days.

Finally, I have introduced in this legislation a purity standard, requiring that there must be at least 1 percent of the prohibited narcotic substance in any mixture which is the basis of prosecution under this law. Drugs on the street are

normally 5 or 6 percent pure at present. Anything under 1 percent purity is worthless in the drug trade, but this minimum standard protects the accused who may have a substance containing a mere trace of narcotic planted on him by those seeking to have him convicted under this law.

In closing, I might add, Mr. President, that I hope that our efforts at rehabilitation will continue, and that this body will take the lead in authorizing and funding rehabilitation facilities. But before we can hope to make rehabilitation a solution to the drug problem, we must cut the flow of drugs on the street, and that is the purpose of this legislation.

Mr. President, I ask unanimous consent that the full text of my bill 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. 1971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Controlled Substances Act, approved October 27, 1970 (84 Stat. 1242), is amended by adding immediately after section 405 thereof the following new section:

"INCREASED PENALTIES

"SEC. 405A. (a)(1) Notwithstanding any other provision of this Act or of any other law, any person who violates section 401(a)(1) of this Act by distributing two ounces or more of any mixture or substance containing any ingredient of 1 per centum purity or more which is classified in Schedule I or II and which is a narcotic drug shall be sentenced as follows:

"(A) if such person, at the time of the commission of such violation was eighteen years of age or older and was an addict, for any term of years up to and including life imprisonment, but in no event less than ten years;

"(B) if such person, at the time of the commission of such violation was eighteen years of age or older and was not an addict, to life imprisonment;

"(C) if such person, at the time of the commission of such offense was at least sixteen years of age but under the age of eighteen years and was an addict, for a term of not less than five years or more than ten years; and

"(D) if such person, at the time of the commission of such violation, was at least sixteen years of age but under the age of eighteen years and was not an addict, for a term of not less than fifteen years or more than thirty years.

"(2) Notwithstanding any other provision of this Act or any other law, any person who violates section 401(a)(1) of this Act by distributing less than two ounces but at least one-sixteenth of an ounce of any mixture or substance containing any ingredient of 1 per centum purity or more which is classified in Schedule I or II and which is a narcotic drug shall be sentenced as follows:

"(A) if such person, at the time of the commission of such violation, was eighteen years of age or older and was an addict, for a term of not less than five years or more than ten years;

"(B) if such person, at the time of the commission of such violation, was eighteen years of age or older and was not an addict, for a term of not less than ten years or more than twenty years;

"(C) if such person, at the time of the commission of such violation, was at least sixteen years of age but under the age of eighteen and was an addict, for not less than one year or more than five years; and

"(D) if such person, at the time of the commission of such violation, was at least sixteen years of age but under the age of eighteen years and was not an addict, for a term of not less than three years or more than ten years.

"(3) Notwithstanding any other provision of this Act or of any other law, any person who violates section 401(a)(1) of this Act by distributing less than one-sixteenth of an ounce of any mixture or substance containing any ingredient of 1 per centum purity or more which is classified in Schedule I or II and which is a narcotic drug shall be imprisoned for a term of not more than three years.

"(4) Notwithstanding any other provision of this Act or of any other law, any person who attempts or conspires to commit any violation referred to in paragraph (1), (2), or (3) of this subsection, which is punishable under this section, shall be punished by imprisonment in the same manner and to the same extent as that provided for therein for the violation the commission of which was the object of the attempt or conspiracy.

"(b) Notwithstanding any other provision of this Act or of any other law, any person convicted of any such violation of section 401(a)(1) of this Act which is punishable pursuant to the provisions of this section and who is awaiting sentence, or who is so convicted and sentenced to a term of confinement or imprisonment and has filed on appeal or a petition for a writ of certiorari, shall be detained in custody pending determination of such appeal or petition.

"(c) Upon the first appearance before a judicial officer of any person arrested for a violation of section 401(a)(1) of this Act which is punishable pursuant to this section, the judicial officer shall, notwithstanding any other provision of this Act or of any other law, order such person to be placed under medical supervision for an examination to determine whether the person is an addict. On or before the expiration of three calendar days following the date of such order, such person shall again be brought before a judicial officer and the results of the examination shall be presented to such judicial officer. A copy of such results shall be made available to the United States attorney and to such person. Upon such subsequent appearance of such person before a judicial officer, such officer shall proceed in accordance with applicable laws and procedures. The results of such examination shall not be admissible on the issue of guilt or in any other judicial proceeding, except that the court shall consider such results in connection with the sentencing, in accordance with the provisions of this section, of such person, if such person is convicted of such violation.

"(d) With respect to any sentence imposed pursuant to this section, the imposition or execution of such sentence shall not be suspended, probation shall not be granted, and section 4202 and chapters 309 and 402 of title 18, United States Code, and the Act of July 15, 1932 (D.C. Code, secs. 24–203—24–207), shall not apply.

"(e) In any case in which a person is indicted for any such violation punishable pursuant to this section, such person shall not be permitted to plead guilty to a lesser offense in lieu of such violation for which he was so indicted."

By Mr. PERCY:

S. 1972. A bill to further amend the U.S. Information and Educational Exchange Act of 1948. Referred to the Committee on Foreign Relations.

Mr. PERCY. Mr. President, today I am introducing a bill to authorize supplemental appropriations for Radio Free Europe and Radio Liberty for fiscal year 1973. This bill amends section 703 of the U.S. Information and Educational Exchange Act of 1948. It is made necessary by nondiscretionary cost increases, including those brought about by the recent devaluation of the dollar. Because more than 80 percent of the operating expenses of Radio Free Europe and Radio Liberty are paid in local currencies, the devaluation has precipitated a significant increase in cost which was not provided for in the existing authorization of appropriations.

I send the bill to the desk for appropriate reference.

ADDITIONAL COAUTHORS OF BILLS AND JOINT RESOLUTIONS

S. 263

At the request of Mr. MOSS, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 263, to establish mining and mineral research centers, to promote a more adequate national program of mining and mineral research, to supplement the act of December 31, 1970 and for other purposes.

S. 408

At the request of Mr. THURMOND, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 408, the Food Stamp Act of 1964.

S. 1395

At the request of Mr. RANDOLPH, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1395, a bill to encourage and support the dissemination of news, opinion, scientific, cultural, and educational matter through the mails.

S. 1578

At the request of Mr. BAYH, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1578, a bill to provide for a national program of disaster insurance.

S. 1607

At the request of Mr. DOLE, the Senator from Colorado (Mr. DOMINICK) was added as a cosponsor of S. 1607, to authorize the commandant of the U.S. Army Command and General Staff College to award the degree of master of military art and science.

S. 1842

At the request of Mr. BELLMON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1842, the Federal Child Support Security Act.

S. 1875

At the request of Mr. RANDOLPH, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1875, to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

BOARD FOR INTERNATIONAL BROADCASTING

Mr. PERCY. Mr. President, S. 1914 would provide for the establishment of

a Board for International Broadcasting and authorize continued assistance to Radio Free Europe and Radio Liberty.

The concept of a Board for International Broadcasting was developed by the Presidential Study Commission on International Radio Broadcasting, chaired by Dr. Milton S. Eisenhower. In the Commission's report, "The Right To Know," the Commission shares with Congress and the American people its rationale for recommending such a board. It describes alternative proposals for an organizational structure for continued operation of the stations, and explains why it was decided that a board would best serve the need for oversight, accountability, economy, and effectiveness.

Without objection, I ask unanimous consent to print in the RECORD at this point the section of the Commission report on alternative organizational structures considered and the decision to recommend establishment of a Board for International Broadcasting.

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

SECTION IV: ORGANIZATIONAL STRUCTURE

The President's charge to this Commission states that:

"The Commission should undertake a critical examination of the operation and funding question and recommend methods for future maintenance and support of the radios which will not impair their professional independence and, consequently, their effectiveness."

Additional considerations identified in the President's instructions are ". . . the relationship of the radios to the national interest and to this nation's foreign policy objectives, . . . to Executive Branch agencies, (and to) financial and other supporting requirements of the radios. . . ."

In harmony with the President's instructions, and after consultations with numerous members of Congress, U.S. Government officials, and knowledgeable private individuals, the Commission identified several objectives that should govern the choice of an appropriate organizational structure for the continued operation of the stations:

The professional independence and hence the credibility and effectiveness of the stations must be preserved.

Organizational arrangements and procedures must be such as to insure that publicly funded facilities are not used in a manner inconsistent with United States foreign policy objectives.

The organizational structure should permit the use of funds from American and non-American sources, both public and private, and must provide for appropriate accountability. All funds should be openly provided and publicly reported.

The organizational structure should be shaped to stimulate maximum efficiency and economy in the operations of the stations.

Since the condition of free movement of information into and within the Soviet sphere, which could make the stations unnecessary, is not likely to be achieved soon, the organizational structure should be sufficiently strong and flexible to serve for at least a decade, if necessary.

To preclude any possible misunderstanding, a clarifying statement is here in order. The Commission realizes that there may seem to be an inconsistency in speaking of "professional independence" and then of operations "not inconsistent with United States foreign policy objectives." Fully professional independence could not have limits placed upon it. What the Commission advocates is professional independence with the *sole limitation* that the stations not operate in a manner inconsistent with broad United States foreign policy objectives.

CONSIDERATION OF ORGANIZATIONAL STRUCTURES

The Commission considered several organizational options for meeting these key objectives. Five were studied in detail:

Continuation of the current arrangement whereby the Department of State makes grants of appropriated funds to the stations.

Grants of appropriated funds to the stations through the United States Information Agency.

Merger of the stations with the Voice of America.

Conversion of the stations into a single Federal entity.

Establishment of a new, independent governmental institution to serve as a nexus between the public, Congress, the Executive Branch, and the stations.

The Commission concludes that the last option is best suited to the objectives. Accordingly, it recommends that a new "Board for International Broadcasting" be established to oversee the stations generally and to serve as a nexus between them and the United States Government.

BOARD FOR INTERNATIONAL BROADCASTING

The mandate of the Board should be to review continuously the mission and operation of Radio Free Europe and Radio Liberty, their quality and effectiveness, their professional integrity, the consistency of their broadcasts with the interests of the United States and, more broadly, the "human right to know," and the station's accountability for public resources placed at their disposal.

The Board should be established by Congress as a Government-sponsored enterprise. The Board should be authorized to receive Congressional appropriations and disburse them in the form of grants to the private corporations, Free Europe, Inc., and the Radio Liberty Committee, in order to promote a free and adequate flow of information and ideas among the peoples of East Europe and the USSR, and thereby to contribute to the goal of better international understanding.

The Board should consist of seven members. Five members—including the Chairman—should be appointed by the President, with the advice and consent of the Senate, from among distinguished Americans in such fields as foreign policy and mass communications. Appointments should be for staggered terms, and members should be eligible for reappointment. Directors should be prohibited from concurrently holding other Federal positions.

The remaining two directors should be *ex officio* and non-voting—the chief operating executive of the Radio Liberty Committee and the chief operating executive of Free Europe, Inc. The presence of the RL and RFE executives would help assure a fuller understanding of radio activities by the Directors of the Board for International Broadcasting and also facilitate harmony between station broadcasting policies and Board views.

The new Board must operate to implement the appropriate relationship between the United States Government and the stations—to preserve their professional independence and integrity while assuring that their operations are carried out within the national interest and in a cost-effective manner.

The Board should be responsible for assuring that adequate fiscal controls are maintained. It would be responsible for presenting appropriation requests to the President and the Congress, for granting funds to the stations, for promoting operating efficiency, for evaluating activities and expenditures supported by its grants, and for insuring conformity to the legislative charter.

It is essential that there close cooperation between the stations themselves and with the Board. To this end, the Commission recommends that headquarters of the new Board and the executive staffs of both stations be located in contiguous space, preferably in the Washington, D.C., areas. Such an arrangement would be mutually advantageous in that it would permit the Board's executive director to draw upon the personnel of the stations for much of the administrative support needed by the Board. Under this arrangement, the Board should need only a minimal staff. A Washington, D.C., location would also help the Board maintain appropriate liaison with the Department of State.

The Board should be expected to deal with major policy issues affecting either or both stations. It should periodically make a systematic study of conditions in each audience area and insure that revisions of program schedules are made if it finds changes to be appropriate. Thus, for example, if restrictions on the free flow of information within one or more of the countries of Eastern Europe or the Soviet Union are eased, the Board should recommend at what point operations of the stations should be either curtailed or halted altogether.

The Board should also play a significant role in promoting efficiency and economy within and between the stations. Several suggestions for specific studies are included in Section V of this report.

The creation of a Presidentially appointed Board made up of persons distinguished in fields such as mass communications and foreign policy would give the Congress and the American people continuing assurance that RFE and RL operate with professional integrity and in the national interest. Simultaneously, the stations would benefit from having an official, knowledgeable source to provide them with assistance, guidance, and funds.

The view has been expressed that the names of the stations should be changed in order to mark a new era of detente with the Soviet Union and Eastern Europe and new directions for the stations.

The Commission does not recommend this change. As indicated elsewhere in this report, we find that the stations have successfully adpated their philosophy and operations to the evolution of East-West relations. They are not perpetuating Cold War attitudes, nor are we aware of important objections to the names, per se, expressed by listening populations. The names Radio Liberty and Radio Free Europe in recent years have come to be identified by their audiences with the broadcast of accurate information, interpretation, and analysis. There is also a "brand name" value associated with Radio Free Europe and Radio Liberty identification, which is important in broadcast operations. For these reasons, we have concluded that there are no compelling reasons to change the names of the stations.

ORGANIZATIONAL STRUCTURES CONSIDERED AND REJECTED

Grants administered by Department of State. As a provisional measure resulting from the discontinuance of funding by the Central Intelligence Agency, the Department of State administered Federal grants to RFE and RL for part of fiscal year 1972 and for 1973. The Commission considered the advantages and disadvantages of this method of funding, either under existing legislation or under new legislation which might detail the purposes for which grants are made and define relationships of the stations to the Department of State.

This approach would have the advantage of avoiding the creation of a new organization. The disadvantages, however, appear to outweigh this advantage. The effectiveness of the stations depends largely upon their concentration on reporting and analysis of developments within the countries of Eastern Europe and the Soviet Union. Direct control

by the Department of State over funds for the stations over a period of years would appear to be incompatible with the professional independence essential for the stations to fulfill this role.

There are additional political liabilities in entrusting the Department of State with the budgetary support of the stations. The Department would find it impossible to dissociate itself from accountability, however indirect, for RFE and RL programming. Awkward situations would be unavoidable, with the conceivable result that the essential program autonomy of the stations would be compromised.

Interim arrangements for funding the stations by the Department of State have not resulted in special difficulties; but these arrangements have always been considered by the Executive Branch as transitional. For reasons outlined above, the permanent continuation of these direct funding provisions is undesirable. The Department of State concurs in this view.

Grants administered by U.S. Information Agency. The Commission also considered the possibility of assigning USIA responsibility for administering Federal grants to RFE and RL.

The considerations that militate against the State Department's administering the grants are equally valid in the case of USIA. USIA is the official public information arm of the United States Government and is clearly identified as such. It explains United States foreign policy and it seeks to secure understanding by peoples in foreign countries of all aspects of American society.

RFE and RL, in contrast, have as their main mission to function as a surrogate free press, to fill the information gaps created by communist government restrictions on the free flow of information.

There are additional risks. The last few years have seen the establishment in communist countries of a number of USIA-sponsored cultural programs, such as libraries, exhibits, artistic attractions, and exchanges. If RFE and RL grants were administered by USIA, communist protests and objections to broadcasts by these two stations could easily generate dangers to USIA programs in these countries. Conversely, as noted in connection with the disadvantages of State Department funding, this association might result in compromising the program autonomy of the stations.

USIA concurs in this Commission view.

Merger with Voice of America. The purposes and functions of VOA are quite different from those of RFE and RL. There is no conflict between them. The VOA is recognized as the official radio voice of the United States Government. Like all other USIA activities, it gives preponderant emphasis to American developments. VOA programming contains relatively little information about internal developments in its audience countries.

RFE and RL programming, as previously stressed, gives citizens of the communist countries information on conditions, attitudes, and trends within their own countries and on international developments as they relate to the special interests of the listeners. RFE programs supplement and correct the news as issued by the media within their audience areas, and they supply alternative analyses, based on careful research of facts and conditions in the listener areas, as well as on Western sources not normally available to East Europeans.

It would be neither proper nor consistent with its basic mission as the official United States Government station for VOA to concentrate on this type of programming.

For these reasons, a merger of VOA and the two stations would, in the judgment of the Commission, defeat the purposes of both. USIA also concurred in this judgment.

Merging the stations into a single, independent Federal agency. We also examined the advantages and disadvantages of merging the two radio corporations into a single Federal agency receiving direct appropriations from the Congress. The stations would thus be federalized and taken fully into the Executive Branch of the United States Government.

Such an organizational arrangement would mean that the stations would lose their nonofficial status, and even if there were little or no change in operations and program content, the stations' reputation for professional independence would be difficult to preserve. Further, this alternative would raise questions on such basic issues as whether the private corporations could transfer assets to a Government agency and whether the present right to radio broadcast frequencies could be transferred. It would also jeopardize the status of the licensing agreements in the four countries from which the stations transmit—the Federal Republic of Germany, Spain, Portugal, and the Republic of China.

SUMMARY

The Commission devoted major attention to the question of how the stations should be related to the United States Government. We realize that able men of good will can make almost any organizational arrangement work; and, conversely, that even the finest organizational arrangements do not guarantee efficient and effective operations. We believe that the proposals spelled out in this section for the creation of a Board for International Broadcasting provide a good design to assure that Radio Free Europe and Radio Liberty maintain their professional independence, within the limits of the national interest.

Mr. PERCY. The Senator from Minnesota (Mr. HUMPHREY) and I are pleased to have the cosponsorship of Mr. JAVITS, Mr. MATHIAS, Mr. STEVENS, Mr. BUCKLEY, Mr. BROOKE, Mr. GRIFFIN, Mr. MCGEE, Mr. COOK, Mr. MCINTYRE, and Mr. STEVENSON. I ask unanimous consent to add as cosponsors Mr. BAYH, Mr. RIBICOFF, and Mr. FANNIN.

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

SENATE CONCURRENT RESOLUTION 30—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO INFORMATION BY FEDERAL OFFICERS AND EMPLOYEES

(Referred to the Committee on Government Operations.)

PRODUCTION OF INFORMATION BY FEDERAL OFFICERS AND EMPLOYEES

Mr. ERVIN. Mr. President, on behalf of Senator MUSKIE and myself, I submit for appropriate reference a concurrent resolution to establish a procedure assuring Congress the full and prompt production of information requested from Federal officers and employees.

This resolution is similar in content and purpose to Senate Joint Resolution 72 which I introduced on March 8, 1973, but it has been altered in several important ways, primarily as a result of extensive hearings conducted in April and May by the Subcommittee on Intergovernmental Relations of the Committee on Government Operations and the Judiciary Subcommittees on Separation of Powers and Administrative Practice and Procedure.

The resolution provides that when an officer or employee of the executive branch is summoned and requested to testify or to produce information, records, documents, or other material before either House of Congress or any committee or subcommittee thereof, that officer or employee shall appear pursuant to the request made of him and shall answer all questions propounded to him and shall produce all information sought unless the President formally and expressly instructs him in writing to refuse to appear or to provide the information.

In the event of a Presidential refusal, the writter. instruction shall set forth the grounds on which the refusal is based. Such written instruction shall be transmitted to the House, or committee or subcommittee thereof, requesting the information or appearance.

The appropriate House, committee, or subcommittee seeking the appearance or information shall determine whether or not such a Presidential instruction is without foundation in law. When a committee or subcommittee finds that the refusal is without foundation in law, then the appropriate House or committee shall order the official or employee to appear and to answer the questions or provide the information.

When a committee or subcommittee determines that a Presidential instruction to withhold information is without foundation in law, it shall file within 10 days an appropriate resolution with its respective House with a report and record of its proceedings relating to the Presidential instruction. The respective House shall take such action as it deems proper with respect to the disposition of the appropriate resolution.

This resolution differs in two respects from Senate Joint Resolution 72 which I introduced earlier this year.

First, it does not mention the term "executive privilege" which has been used by the Executive as a disguise for a variety of refusals to provide information requested by Congress. I do not believe that it is necessary for Congress to put a stamp of approval—whether expressly or by implication—on such a "privilege." Rather, Congress should review Presidential refusals to provide information and determine whether or not they are founded in law, which would include a proper exercise of privilege or authority granted by statute.

Second, it takes the form of a concurrent resolution rather than a joint resolution. The intent and purpose is to create an internal congressional procedure by which Congress will exercise the powers and prerogatives which properly belong to it; it would not have legislative effect and therefore would not be subject to a Presidential veto.

This resolution and the improvements incorporated in it are the outgrowth of the extensive hearings on executive privilege and Government secrecy being conducted this year by the subcommittees I mentioned earlier. Those hearings pointed out the extent to which the failure or outright refusal of Federal officers and employees to produce information requested by Congress in carrying out its constitutional function to legislate has resulted in a serious erosion in the separation of powers doctrine embodied in the Constitution.

I am sure that many Senators and other American citizens were shocked on April 10 when the then Attorney General, Richard G. Kleindienst, testified that the President could extend the doctrine of executive privilege to prohibit any and all of the 2.5 million employees of the executive branch from testifying or providing information to Congress. Although the administration has since indicated that it does not intend to exercise the privilege so broadly, especially in connection with the Watergate investigation, such a sweeping assertion of the scope of the privilege must make us wonder if the President and his assistants have any respect at all for the separation of powers doctrine.

Congress must not stand idly by and allow the President to stretch executive privilege to cover every operation of the executive branch. I respect the right of the Executive insofar as executive privilege is confined to communications between Presidential aides or other executive employees and the President, or with respect to communications of a confidential nature between different Presidential aides or executive employees when they are assisting the President in carrying out the duties of his Office. But I do not think there is any privilege that exists to withhold information about matters that have already been made public by other administration officials or with respect to official dealings between Presidential aides and third persons.

In other words, executive privilege should be used in very narrow contexts, and when it is used, Congress must determine whether it is exercised properly. The procedure which would be established by this resolution would merely insure Congress the opportunity to make that determination.

I submit that the procedure created by this resolution would strongly discourage the abuse of the doctrine of executive privilege and would provide an essential procedure for Congress to use in its effort to regain its rightful constitutional powers.

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

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

S. CON. RES. 30

Resolved by the Senate (the House of Representatives concurring),

Whereas the denial to either House of Congress, to its joint committees, committees and subcommittees by officers or employees of the United States of any information, including testimony, records or documents, or other material, requested by the Congress in the performance of its functions erodes the system of checks and balances prescribed by the Constitution, unless grounds sufficient in law are asserted for such denials: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, when an officer or employee of the United States is summoned and requested to testify or to produce information, records, documents or other material before either House of Congress, any joint committee of Congress, any committee of either House or any subcommittee thereof, that officer or employee shall appear pursuant to a request specifying the time and the place and shall answer all questions propounded to him, and produce all information, including records, documents and other material sought, unless the President formally and expressly instructs the officer or employee in writing to refuse to provide the information requested, including answers to specific questions, or specific records, documents or other material, in which event such Presidential instruction shall set forth the grounds on which the refusal is based. Such written instruction shall be transmitted to the House of Congress, joint committee, committee or subcommittee requesting the information, proposing the questions or seeking the records, documents or other material, which shall then determine whether or not the Presidential instruction is without foundation in law. If it is determined that the instruction is without foundation in law, the officer or employee shall be ordered to appear at a time specified before the House of Congress, joint committee, committee or subcommittee and to provide there the information requested by answering the question or questions propounded and producing any official information, including records, documents or other material requested.

SEC. 2. When a joint committee of the Congress, or a committee, or subcommittee of either House of Congress determines that a Presidential instruction to withhold information requested by it is without foundation in law, it shall, within ten days, file—

(1) in the case of a joint committee, a concurrent resolution with both Houses of Congress; and

(2) in the case of a committee or subcommittee, a resolution with its House of Congress;

with a report and record of its proceedings relating to such Presidential instruction. Congress, in the case of any such concurrent resolution, and the House of Congress with whom any such resolution is filed, shall take such action as it deems proper with respect to the disposition of such concurrent resolution or resolution.

Mr. ERVIN. I ask unanimous consent that a statement made by the cosponsor of the resolution (Mr. MUSKIE) be inserted in the RECORD at this point.

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

The statement is as follows:

EXECUTIVE PRIVILEGE

Mr. MUSKIE. Mr. President, the concurrent resolution which we present to the Senate today is a simple statement of procedure designed to unravel a complex situation, the conflict between the Congress and the Executive over the rights of the former to information possessed by the latter.

That conflict was most succinctly—and, I might say, most brashly—stated by then Attorney General Richard Kleindienst in testimony April 10 before joint Senate hearings on executive privilege and government secrecy. "Your right to get what the President knows," he told me, "is in the President's hands."

This resolution is our response to that defiant declaration. If the former Attorney General's claim were to go unchallenged, the Congress would, indeed, be accepting the second-class status which his contempt of it implied. We cannot concede that we have no recourse against executive defiance of a Congressional request for the information we require to carry out our functions as a separate and equal branch of government.

So this resolution is a necessary response. It says very simply that the President may instruct a Federal officer or employee to refuse to provide Congress with information its committees request. But, it makes clear, such Presidential instructions cannot be the last word. The Congress has the obligation to review and, possibly, to reject such instructions. The committee concerned—and if necessary its parent body—must review the legal foundation of any such Presidential instruction and, finding it without foundation, must compel the production of the information sought.

The Congress already has the power to take such action. This resolution requires that we use that power in the interest of restoring Constitutional balance to our government. The issue is not one of legal authority, but one of will, and the time has come for Congress, by adopting this resolution, to manifest its will.

If we do not assert our authority, we stand in danger of losing it. If de do not clarify this confused situation, we may emerge from the confusion diminished.

SENATE RESOLUTION 125—SUBMISSION OF A RESOLUTION TO REFER S. 1970 TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. BAKER (for himself and Mr. TOWER) submitted the following resolution:

S. RES. 125

Resolved, That the bill (S. 1970) entitled "A bill for the relief of Carl Johnstone, Junior," now pending in the Senate, together with all accompanying papers, is referred to the chief commissioner of the United States Court of Claims. The chief commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States, or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 87

At the request of Mr. BARTLETT, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of Senate Resolution 87, requesting the President to begin a national program on car pooling.

DEBT CEILING BILL—AMENDMENTS

AMENDMENT NO. 215

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

Mr. HUMPHREY. Mr. President, on November 21, 1972, I wrote to Secretary of the Treasury George P. Shultz asking him to take immediate steps to place the dollar check-off form on the front page of the 1972 tax return.

The Nixon administration refused to place the check-off system on the initial page of the tax return, and partly as a result of that decision, the new system for participation in the financing of Presidential elections was utilized by less than 3 percent of the tax paying public.

On January 9, 1973, I wrote to the Advertising Council of America proposing that the Advertising Council assist the Internal Revenue Service in the preparation of media and print announcements which would explain the dollar

check-off system to taxpayers and encourage them to use this opportunity to participate in the financing of Presidential campaigns.

The Advertising Council answered my letter by stating that they had held discussions with the Internal Revenue Service and that the Service assured them that an extensive publicity campaign would be undertaken.

However, Mr. President, I am not aware of any extensive publicity campaign by the Internal Revenue Service.

In fact, I am aware of the almost total lack of agency efforts to publicize the dollar checkoff. I am aware of the Nixon administration's past opposition to the dollar checkoff and to public financing of Presidential campaigns in general; they fought its enactment during the fall of 1971.

And, I am aware that this lack of enthusiasm filtered down the IRS—which deliberately pursued a "go slow" attitude on implementation of the dollar checkoff.

Accordingly, on May 9 of this year, I again wrote to Secretary Shultz, asking that his office provide me with a complete accounting of the results of the first year's participation in the checkoff system. I also asked for an accounting as to the number of public service advertisements prepared by the IRS and actually used by the media during the last tax filing season.

I have not yet had a reply to my May 9 letter.

For that reason, I am today introducing amendments to the dollar checkoff system that I believe will accomplish by law what I have tried to accomplish by letter and suggestion.

The first amendment would remove the Nixon administration-supported provision that requires a yearly appropriation of funds into the Presidential campaign fund. Instead, moneys "checked off" would go directly into the Presidential campaign fund—uninhibited by the appropriation process or the possibility of a Presidential veto.

The second amendment would require the Secretary of the Treasury or his designate to place the complete dollar checkoff form on the front page of all basic tax return forms. No other separate forms or schedules would be necessary or permitted.

This amendment would eliminate the confusion and obstructionism that resulted in most taxpayers not having the proper forms to participate in the dollar checkoff system.

The third amendment would require the Secretary of the Treasury or his designate to report to the Congress, by September 1 of each year, a detailed account of the means by which he intends to carry out a public information campaign concerning the dollar checkoff. The intent is to mandate the Government to undertake an extensive public information program, well designed and organized, to notify all taxpayers about the opportunity to participate in the dollar checkoff campaign financing system.

Mr. President, I intend to offer these three amendments to H.R. 8410, the debt ceiling bill.

I ask unanimous consent that the letters to Secretary Shultz, and the reply from the Advertising Council be printed at this point in the RECORD.

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

U.S. SENATE,
Washington, D.C., November 21, 1972.

Hon. GEORGE P. SHULTZ,
U.S. Department of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: The financing of elections has become a national scandal. Congress attempted to meet part of this problem in the Revenue Act of 1971 by enacting the "dollar check-off" system for public financing of presidential elections. This check-off system will permit any taxpayer to assign one dollar from his income tax, through appropriate federal safeguards and mechanisms, to the national political party of his choice.

This law is scheduled to go into effect during the current tax year. Its legislative history clearly shows the purpose of the dollar check-off is to reduce the dependency of candidates for the Presidency on large contributors and to encourage the participation of all Americans in the financing of presidential campaigns.

I am informed that the Department of the Treasury and the Internal Revenue Service have established procedures for this "dollar check-off" that deliberately thwart the law's purpose. According to this information, the simplified tax forms for those not itemizing deductions now being prepared for mailing by the IRS do not bear the appropriate entries that would allow taxpayers to "check-off" their political contributions. Instead these taxpayers will have to fill out and file an entirely separate schedule to take advantage of this opportunity to contribute to the financing of Presidential elections.

This IRS decision will deny to 17 million taxpayers who file the simplified form the opportunity Congress intended them to have. Many of these taxpayers will not even recognize the opportunity. If IRS does not include an easy-to-understand check-off system on the simplified form only higher income persons—persons who normally file more than one tax schedule—will be encouraged to exercise the option of giving to the political party of their choice. It will arbitrarily make it difficult for all Americans to participate in this program.

The IRS has an obligation, under the terms of the Revenue Act of 1971, to expand the opportunity for all Americans to finance presidential elections—not restrict it.

I urge you to instruct appropriate officials to reconsider this decision and revise the IRS forms to comply fully with the intent of Congress.

Sincerely,

HUBERT H. HUMPHREY.

THE ADVERTISING COUNCIL, INC.,
New York, N.Y., January 16, 1973.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for your good letter of January 9th, proposing that The Advertising Council assist the Internal Revenue Service in making certain that taxpayers are aware of the opportunity to utilize the "dollar check-off" system for public financing of Presidential elections by taking advantage of current income tax procedures.

I can fully understand your concern that the check-off system is relatively unknown and is somewhat cumbersome, requiring as it does, the completion of a separate form by the respondent.

Upon receipt of your letter we immediately instituted discussions with the Internal Revenue Service and as a result we understand that they are conceiving the production and distribution of television and radio announcements. If there had been more time in which to prepare them, we could have urged the Service to expand the production of public service advertising materials to other media. However, we can assure you that we plan to urge that more emphasis be placed upon the dollar check-off system for financing presidential elections next year and will suggest that they then utilize the other media to advantage. Meanwhile, we are planning to recommend to the media, in our March-April Public Service Advertising Bulletin, that they provide time for the film and radio spots this year.

With kindest regards.

Cordially,

ROBERT P. KEIM.

MAY 9, 1973.

Hon. GEORGE P. SHULTZ,
Department of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: I have maintained a constant interest in the "dollar checkoff" system for public financing of Presidential campaigns. In my November 21, 1972 letter to you, I requested your office to take appropriate steps in order to facilitate public usage of the opportunity for taxpayers to contribute to the financing of Presidential elections. Unfortunately, those steps were not taken; and neither, may I add, were steps taken by the Internal Revenue Service to adequately publicize the "dollar check-off system" of campaign financing.

Now that the filing date for federal income tax has passed, I request that you supply my office with a complete accounting of the results of the first year's participation in the check-off system. I want to know the various totals going to the parties, the amount left undesignated in the overall Presidential campaign financing fund, a break-out by income class of taxpayer as to participation in the program, and suggestions from your office as to improving the system. I note, for example that in recent testimony before the Ways and Means Committee that you proposed moving part of the check-off form to the first page of the tax return—similar to the procedure I suggested to you last year.

Finally, I want to know the number of public service advertisements prepared by the IRS and actually used by the electronic and print media to publicize the dollar check-off. And, I request that you inform my office as to what plans are currently being considered to expand public knowledge of, understanding of, and participation in the public financing of Presidential campaigns through next year's income tax filing.

EMPLOYEES SEPARATED FROM THEIR EMPLOYMENT BECAUSE OF DEFENSE INSTALLATION REALINEMENTS—AMENDMENT

AMENDMENT NO. 216

(Ordered to be printed, and referred to the Committee on Labor and Public Welfare.)

EMERGENCY RELIEF FOR CIVILIAN WORKERS AFFECTED BY DEFENSE CONTRACT TERMINATIONS

Mr. HUMPHREY. Mr. President, I submit for appropriate reference an amendment to S. 1695, the Emergency Manpower and Defense Workers Assistance

Act of 1973, of which I am a cosponsor. This amendment is designed to extend the emergency relief provisions of this bill to civilian workers adversely affected by reduction or termination of employment as a result of the termination of procurement order contracts by the Department of Defense with private firms at facilities owned or leased by the Department.

The administration's plans to close military installations, affecting 274 facilities in 32 States, have aroused major concern due to totally inadequate consideration of the employment and income needs of over 41,000 civilian workers at these facilities. I intend to work jointly with other Senators in support of legislative efforts to correct this unconscionable failure on the part of the administration to make full provision for the reemployment and adjustment assistance requirements of these workers and their families. I believe S. 1695 provides the comprehensive programs necessary to meet these requirements.

However, in the midst of this critical situation, other defense program cutbacks which are equally serious must not be ignored. A prime example of such cutbacks having a disastrous impact upon the economy of a local area suddenly confronted by extensive unemployment, is to be found in New Brighton, Minn. The Twin Cities Army Ammunition Plant in New Brighton, owned for over 30 years by the Federal Government and operated by a private firm, reportedly will shortly be closed down. This will affect nearly 2,000 employees who shortly will be, or already are, out of a job.

Whether this will be a cost-saving decision is clearly questionable, as shown by the results of two previous closings of this plant. Once again, were this plant to be subsequently reopened, startup costs would be extraordinarily high, not to mention heavy so-called layaway costs and maintenance expenditures to keep this plant in a standby condition during the interim, as well as the losses incurred before production could be fully resumed.

Where is the saving when another ammunition plant allegedly would have to add a further shift after the New Brighton plant is closed? Why should not a similar limited-shift operation, at least, be maintained at the Twin Cities Army Ammunition Plant?

Moreover, the New Brighton plant is unionized, and I have received intimations that labor costs are a consideration in the Government's purported plans to close this plant. I would regard this as a serious matter affecting workers' rights to organize and bargain collectively for wages adequate to meet the cost of living.

Mr. President, the effect of my amendment would be to include workers adversely affected by such defense contract terminations, with civilian workers at defense facilities being closed down, as eligible for readjustment allowances, early retirement benefits, continued health benefit coverage, relocation assistance in obtaining other employment, job placement assistance, and job retraining and public service employment opportunities, as provided under the Emergency Manpower and Defense Workers Assistance Act. Further technical changes in this legislation may be required to assure that this intent is fully carried through, and I intend to work with the appropriate Senate committees to accomplish this objective.

Mr. President, I urge the Senate to take early action to address the critical problems of thousands of Americans in defense-related jobs who would be suddenly thrown out of work under current administration plans.

I ask unanimous consent, Mr. President, that the text of my amendment, amending the definition of "adversely affected worker" under the provisions of S. 1695, be printed in the RECORD.

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

AMENDMENT NO. 216

On page 2, line 14, after the word "employment" insert the following: "as a result of the termination on or after January 1, 1973, of a contract with a private firm conducting business at a facility owned or leased by the Department of Defense for the purpose of providing materials to the Department of Defense under procurement orders, or"

AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE—AMENDMENT

AMENDMENT NO. 217

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

Mr. HUMPHREY submitted an amendment, intended to be proposed by him, to the bill (S. 1248) to authorize appropriations for the Department of State, and for other purposes.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENTS NO. 163 TO S. 1888

At the request of Mr. BAYH, the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from Iowa (Mr. CLARK) were added as cosponsors of amendment No. 163, intended to be proposed by Mr. BAYH to S. 1888, the Agriculture and Consumer Protection Act of 1973.

ADDITIONAL STATEMENTS

SKYLAB REPAIR ACHIEVEMENT

Mr. MOSS. Mr. President, knowing how much we all applaud the accomplishments of our astronaut team and their Skylab repair achievements I have asked the Administrator of NASA, Dr. James C. Fletcher, to relay our appreciation and sincere admiration to all of the NASA team who have worked under such great pressure to make this mission so successful.

I ask unanimous consent to print in the RECORD the telegram I sent to him this morning.

June 8, 1973.

DR. JAMES C. FLETCHER,
Administrator, National Aeronautics and Space Administration, Washington, D.C.

DEAR JIM: Your astronauts and their ground team have "done it again." Many people deserve credit for this remarkable Skylab repair effort and I hope you will express my appreciation to them.

The magnificence of this accomplishment and the significance of the achievement is nearly impossible to put in perspective.

I know I speak for all my colleagues in the Congress when I send this message of congratulations to you with the request that you communicate our great appreciation to the astronaut team of Conrad, Kerwin, and Weitz and also to Bill Schneider, the Skylab Project Director, Dale Myers and his team of manned space specialists and all of your group who work in complete anonymity but under the intensive examination of history.

You are truly a "can do" team. We salute you all.

FRANK E. MOSS,
U.S. Senator.

SENATOR GOLDWATER ADDRESSES NATO CHIEFS OF AIR FORCES

Mr. GOLDWATER. Mr. President, today we are hearing a great deal of discussions about our future with the North Atlantic Treaty Organization and how best to insure that NATO continues to stand strong and resolute as a shield against possible Communist aggression. Recently, the NATO Chiefs of Air Forces visited Washington and were entertained at a luncheon sponsored by the Aerospace Industries Association. On that occasion, May 21, I had the distinct honor to address these NATO officials on the question of U.S. security policy toward Europe. If there is no objection, I ask unanimous consent to have this address printed in the RECORD.

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

AN ADDRESS BY SENATOR BARRY GOLDWATER OF ARIZONA TO THE NATO CHIEFS OF AIR FORCES AT A LUNCHEON SPONSORED BY THE AEROSPACE INDUSTRIES ASSOCIATION, WASHINGTON, D.C.

Mr. Chairman, honored guests: It is with considerable pride and a great deal of humility that I come here today to discuss with you some of the problems that we in the Congress of the United States see arising with regard to United States security policy toward Europe and this country's participation in the NATO Alliance.

Too often these days, we find discussions concerning our European policies and our participation in the North Atlantic Treaty Organization centering around how best to extend a rapprochement or detente with the Soviet Bloc. More and more, it strikes me that informed Americans are looking to the Atlantic Alliance solely in terms of how we can best work out economic issues and trade problems with the Soviets. I say, "too often," because I believe that we in this country are too much inclined to indulge in wishful thinking and read too much importance into moves already made and contemplated which are designed to reduce tension and inaugurate a friendlier policy toward the Communist world. When this line of thinking is extended too far, the NATO Alliance becomes viewed almost automatically as an anachronism and a paper-tiger. This, in turn, fuels arguments to the effect that the United

States deployment of forces in Europe makes little sense militarily and costs our country dollars which could better be spent here at home.

I am sure I do not have to tell this gathering that such notions of our relationship with Europe and our interests are both premature and superficial. Yet, they have gained currency among many opinion-makers who feel the United States is over-extended in its commitment and must withdraw more and more from almost every area of the world. We are seeing this underscored today in repeated demands for an immediate reduction of U.S. commitment and expenditure in the NATO Alliance. And I would emphasize very strongly that these demands have little or no relationship to the negotiations inaugurated with the Soviet Union and the Warsaw Pact aimed at mutual reductions in military forces and in the limitation of strategic arms. Rather, they call for unilateral action on the part of the United States and give little consideration to how such action might cripple us or reduce our bargaining power in any and all conferences aimed at mutual reductions of military forces.

Now, I want to be absolutely honest with you. There is heavy pressure within the Congress of the United States to cut down on the United States commitment to NATO. And while I am opposed to such reduction and shall fight against it in the Senate, I do think it is proper to sound a warning here that there is a strong tide of sentiment running for a unilateral cutback in troop levels maintained by the United States. And I should be something less than candid if I did not tell you gentlemen that I believe there is something you can do to help out in this situation. I believe many of your countries could do more—perhaps not a great deal more—but more than you are presently doing to shoulder the burden of collective defense measures in the NATO Alliance.

I am sure I don't have to remind you that the United States bore the brunt of this cost at a time when your countries were still recovering from the ravages of World War II and were committing all of your resources to the rebuilding of Western Europe. But things are different now. Some of your countries have prospered enormously in recent years and your economies could well afford to take up some of the slack which Congress may force us to leave in the maintenance of the NATO shield against possible Communist aggression.

Gentlemen, I feel that we have a right to be encouraged by the progress of negotiations aimed at a reduction of military forces by both sides in the European power equation. The trends towards better understanding are encouraging, but I believe it is important for us to understand that they are still only trends and that because of this we must not lose sight of essential security realities.

The plain fact is that the military threat to the North Atlantic Alliance has not subsided. The Soviet Union continues to maintain 10,000 tanks and approximately 1,500 aircraft as well as almost half a million men in Eastern Europe, where these forces are constantly being modernized and equipped with the best weapons that the Soviet economy can provide. In addition, new reports have recently been published to the effect that the Soviet buildup of tactical nuclear weapons in Eastern Europe is going on undeterred by any talk of detente with the West. According to Mr. Earl Voss of the American Enterprise Institute, who is a consultant to the Department of Defense and the Los Alamos Scientific Laboratories, the Soviet Union already has deployed more than twice as many nuclear missile launchers as NATO. His contention is that the Soviet Union has evolved its doctrine and tactics around the expectation that any conflict with NATO will force the use of nuclear weapons. He says NATO can no longer rely mainly on a conventional posture.

Mr. Voss also insists that it is no longer clear whether NATO has held on to its once undisputed tactical nuclear lead over the Warsaw Pact. This is a consideration which almost never enters into the discussions in Congressional circles about the feasibility of withdrawing a large number of American troops.

I think we will soon have to confront the question of whether NATO force levels for the present strategy of conventional flexible response are at, or below, the threshold of credibility. I say this because any major reduction in forces, such as the kind being promoted by the Mansfield group in the United States Senate at the present time, will surely trigger off the question of whether the NATO Alliance has any further worth either as a deterrent, or an effective defense instrument.

Gentlemen, I believe we are at the point where consideration must be given to a change in NATO's strategy. There can be no question that a major change in force levels, if imposed on NATO, will produce a need to devise a new and acceptable strategy. The problem will be one of substituting in the NATO strategy quality and technology for quantity and mass. And this very plainly means that we will have to modernize and expand our nuclear stockpile in NATO. Much of the current stockpile is made up of obsolete, blunderbuss-type weapons that would produce far too much fallout, blast damage and danger to friendly troops and civilian non-combatants.

What I am saying is that a reasonable force reduction in NATO *could* be made if it were accompanied by a suitable change in defensive strategy. What we *can't* get away with is a reduction in force while still claiming a capability to carry out the same old dual, conventional flexible response strategy but at a lesser cost.

Now, I am sure no one here believes that the Soviets are poised for an immediate invasion of Western Europe, although this possibility was real enough not too many years ago. The threat today is more subtle; it resides in the possibility that the Soviet Union and its allies will continue to speak of peace while maintaining a first-rate capability for war—all with the hope that the West will be lulled into a false sense of security. In other words, the real threat is that we might disarm ourselves and base our security on wishful thinking and good intentions while the Soviets continue to rest their faith in armed might. The result of this could be a long-term shift in the balance of power and a slow constriction of freedom and security in the West.

Because of this, I believe the overriding problem now confronting the NATO Alliance is how it can best maintain an adequate defense posture that will protect our security interests, advance our political objectives in negotiations and make clear how shortsighted it would be to unilaterally reduce our defense efforts.

As I see it, modernization of our capabilities is absolutely vital in the present situation. And I say this with full realization that many will argue that an emphasis on more effective defense efforts is inconsistent with the diplomatic task of trying to negotiate on mutual and balanced reductions in forces in central Europe. This argument, of course, ignores the lessons we have learned from our previous negotiations. Not only that, but it misses the point of our efforts to negotiate mutual and balanced reduction. The only acceptable objective for MBFR must be to maintain and if possible to enhance the military security of the alliance at lower force levels on both sides. And this can only be done if the Allies continue to make a significant effort to modernize their forces and overcome some of the traditional weaknesses in NATO's military posture.

We must never lose sight of the fact that security remains the bedrock concern of the alliance and that genuine detente and real changes in the intentions of the Soviet Union and the Warsaw Pact come about only when they know there is no alternative to negotiations and no other path but compromise.

SALUTES THE CAPITOL PAGE SCHOOL GRADUATING CLASS OF 1973

Mr. RANDOLPH. Mr. President, on Monday evening, June 11, in the House Ways and Means Committee Room, an annual ceremony is scheduled that is little noticed by the media and the general public. Yet, to the individuals involved, and to those of us who meet daily with these youth, it is an occasion of profound significance. I refer to the commencement exercises of the Capitol Page School, which commands a reputation for scholastic excellence. The 1973 graduating class consists of a young lady and 20 young men. The commencement speaker is our able colleague, Senator THOMAS F. EAGLETON, of Missouri.

The program includes the U.S. Navy Band, under the direction of Comdr. Donald W. Stauffer. Senate Chaplain Rev. Edward L. R. Elson will give the invocation with addresses by Principal John C. Hoffman and Vincent E. Reed, Associate Superintendent of the District of Columbia Public Schools. The valedictorian address will be given by Robert Joseph Mathias; the class salutatorian is Richard Lee Sisisky. Five of the graduating class members also are members of the National Honor Society.

In addition to Mathias and Sisisky, those graduating are: Mary Bicknell Adams; Paul Kevin Beatley; Christopher Bonilla; Steven P. Caldwell; Carl B. Clark; Steven Ellis Cohen; David M. Federle; Geoffrey Edward Fleming; Alfred R. Gould, Jr.; Gregory Joseph King; William George Litchfield; William Scott McGeary; Douglas W. Marshall; Randy Jeff Mersky; Michael Maurice Meunier; James E. Parrish, Jr.; William H. Pratt; Daniel J. Schwich; and Christopher Terence Shea.

Mr. President, I congratulate these young persons and share with their parents the pride of their achievements. It is hard work being a page on Capitol Hill. We who work with them do not regard them as merely messengers, but an efficient and essential part of the operation of the Congress. These pages, in turn, are not merely doing a job, but engaging in a rare and vital learning process. Their experiences and studies may lead some of them back to these halls as representatives of the people, as has happened in the past.

The strict rules and academic regimen each of our pages follows is not generally known. One of the members of the 1973 Capitol Page School class is Gregory King of Spring Lake, N.J. Gregory, whose friendship I value, is fortunate to have a mother who also is a gifted

writer, as his father is a gifted speaker. Mrs. Ottilie King is a former reporter who wrote of her son's experiences as a Senate page in the Asbury Park, N.J., Sunday Press of June 3.

I ask unanimous consent that an excerpted version of the article "A Page in the Life of Gregory King," be printed in the RECORD. Written with affection and insight, the story typifies in many ways the experiences of those who carry forward the page program.

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

A PAGE IN THE LIFE OF GREGORY KING

WASHINGTON.—When 17-year-old Gregory King arrives at his home, 1702 Third Ave., Spring Lake, N.J., as a matter of course he sleeps until noon. No one disturbs him. His rest has been earned.

From September to June in his other quarters on Garfield St., in the northwest section of the capital, his lamp is the first to paint the pre-dawn hours with light.

It's 4:30 a.m. when Greg's alarm daily puts sleep to rout. Three quarters of an hour later, while the rest of his family has not yet stirred, Greg descends from his third floor bedroom and silently leaves his home headed for school and work.

Greg is off to classes at United States Capitol Page School, situated in the Library of Congress. There sessions start at 6:10 a.m. Gregory is the senior ranking Democratic page in the United States Senate and it's at this hour that he and 80 pages of the Senate, House of Representatives and the Supreme Court begin their school day.

At 9:45 class is out. Gregory crosses to the Capitol and proceeds to the Democratic cloak room where his daily duties start. First the Congressional Record and daily agenda are filed on the senators' desks along with pending bills, resolutions, documents and reports.

During Senate sessions he sits on the rostrum steps, facing the senators, ready to serve any one of them. When debates and filibusters last late into the night, Gregory stays frequently not returning home until nearly midnight, or sometimes not until the early hours of the morning.

Exhausting? "Yes," concedes Greg. Yet the exhilaration of being part of history in the making obviously outweighs the exhaustion. He witnessed the vote of approval for the SALT agreement (Strategic Arms Limitations Talks.)

When President Nixon returned from Moscow and went directly to Congress to address the assembled body, Gregory was there. During the tension filled days of last summer it was Greg who policed the marble room door while Senators George McGovern, Gaylord Nelson, and Thomas Eagleton caucused inside. As a result of that historical meeting Senator Eagleton removed himself as a vice presidential candidate.

Counting of the electoral votes prior to inauguration day is surrounded with ceremony. The votes contained in two wooden boxes, are carried in procession from the Senate chambers to the House of Representatives where they are tallied. A Democratic and Republican page each carry one box and walk immediately in front of the President of the Senate, Vice President Spiro Agnew. Last January it was Greg's privilege to be the Democratic page selected to carry a box.

Born in Chicago, the tenth child and ninth son in a family of ten boys and five girls Greg moved to Spring Lake when his parents returned there after a six and a half year absence.

He is a graduate of St. Catharine's School. As a member of that parish he served four years as an altar boy. He discovered a talent for public speaking when his eighth grade teacher, Sister Vincent de Paul encouraged him to enter the Mater Dei Declamation Tournament. He won first place. He also placed third in the Trenton Conference Forensic League.

As a freshman in Christian Brothers' Academy, Lincroft, Middletown Township, he successfully continued his public speaking.

In the Tenth Annual Invitational Speech Arts Festival at Long Branch High School, in 1969, Greg was awarded first prize.

Drawn toward American history and government he chanced to read of the page program and expressed interest in becoming one.

Opportunity presented itself when his father, Henry B. King, who is president of the United States Brewer's Association, moved his office from New York City to Washington just as Gregory completed his freshman year at Christian Brothers Academy. At that time Senator Alan Bible of Nevada needed a page and appointed him in September, 1970.

One needs only be given a tour of the Capitol by Greg to sense with what pride he takes his work. In statuary hall he points out the brass marker where the desk of Federalist John Quincy Adams was situated. Greg demonstrates how, through an acoustical quirk, Adams could distinctly hear the lowest whisper of caucausing democrats on the other side of the large room.

In retrospect Greg thinks he might have been a bit overzealous the day he escorted British Rear Admiral (Ret.) and Mrs. Madden, visiting from London.

On the senate floor they had time only for a quick look at John Kennedy's mark inside his desk in the back row. He, like the majority of his peers desk bound through long speeches, passed time by scratching his name in the wood for posterity.

From the floor Greg led the group through the long L-shaped democratic cloak room chatting on about history. He left no detail untold. He referred to the sacking of Washington by the British and almost total destruction of the Capitol during the War of 1812.

They proceeded through the main rotunda and along corridors lighted by magnificent crystal chandeliers. Eventually they were in front of a large stairwell, its wall filled with a bigger than life mural.

"This depicts Oliver Hazard Perry leaving his burning ship Lawrence", explained Gregory. "He then boarded the Niagara and eventually defeated the British on Lake Erie. After this battle he penned his famous quote. 'We have met the enemy and they are ours.' "

Mrs. Madden who earlier had murmured something about being sorry for the trouble the British had caused had by this time heard enough of burning. She quipped. "Greg, don't worry, we don't have a match with us today!"

Gregory has been in the senate through the controversial women's rights debates. During his term women's lib has even invaded the sacrosanct realm of the traditionally male pages. Senators Fred Harris (Okla.). Charles Percy (Ill.) and Jacob Javits (N.Y.) were the first to introduce girl pages. When a newscaster asked Gregory how he felt about working with females his answer for coast to coast radio was, "It makes life much more interesting."

With his busy work and school schedule which includes being president of the Student Council, it would seem Gregory would have little time for hobbies, but hobbies he has. He collects records and tracks down all the old movies shown around Washington. Crammed right next to the histories on his shelves is a super library of books on old musicians, Warner Brothers, to mention a small sampling.

September will find Greg in New York, a freshman at Manhattan College. He plans to work for a B.A. degree in government.

THE PRESIDENT'S ACCOMPLISHMENTS

Mr. THURMOND. Mr. President, it has now become rather fashionable to criticize the President in light of the Watergate affair. It is very easy to jump on the bandwagon and join the others who are smelling blood as they go in for the kill.

It is not as easy, however, to buck this trend and point out the President's accomplishments. To go beyond this and discuss his proven character and integrity is even more difficult. In a recent editorial, the El Paso Times of El Paso, Tex., did just this and I want to commend the editor for it. I believe my colleagues would do well to read the article.

Therefore, I ask unanimous consent that the editorial entitled "What The Man Said," which appeared in the El Paso Times, May 28, 1973, be printed in the RECORD at the end of my remarks.

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

WHAT THE MAN SAID

Many insist that in 1960 Richard M. Nixon was defeated for the presidency by alleged crooked voting procedures in Chicago and Cook County, home of the once-potent Daley machine.

Similar shenanigans were reported in—guess where—sections of the great Lone Star State of Texas!

John F. Kennedy won the 1960 election by the narrow margin of only 118,550 votes. Nixon's backers urged him to call for a recount—figuring true totals in Cook County and Texas might reverse the election—but he declined.

He did not want to throw the country into a crisis of uncertainty. And no formal investigations were ever made of the alleged crooked voting procedures.

The same man, who refused to throw the nation into a crisis of uncertainty, makes a statement on the Watergate affair and is called a liar by almost everyone who sounds off . . . members of Congress, press, radio, television.

Where is the great American sense of fair play, the great urge to back the underdog, the two-centuries old belief that a man is innocent until charged formally and the charges proved?

Last week, President Nixon, speaking on the Watergate affair, said in part:

"I will not abandon my responsibilities. I will continue to do the job I was elected to do.

"With regard to the specific (Watergate) allegations that have been made, I can and do state categorically:

"I had no prior knowledge of the Watergate operation.

"I took no part in, nor was I aware of, any subsequent efforts that may have been made to cover up Watergate.

"At no time did I authorize any offer of executive clemency for the Watergate defendants, nor did I know of any such offer.

"I did not know, until the time of my own investigation, of any effort to provide the Watergate defendants with funds.

"At no time did I attempt, or did I authorize others to attempt, to implicate the CIA in the Watergate matter.

"It was not until the time of my own investigation that I learned of the break-in at the office of Daniel Ellsberg's psychiatrist

and I specifically authorized the furnishing of this information to Judge Byrne.

"I neither authorized nor encouraged subordinates to engage in illegal or improper campaign tactics."

This is a statement by the man who would not ask a recount in 1960 because he did not want to throw the country into a crisis of uncertainty. He also told us he would end the war in Vietnam and bring home our men in uniform. He did. He promised to bring home the Prisoners of War. He did. He went to Peking and Moscow and made positive gains in our relations with those two nations. He called the bluff on congressional spending and, when the time came and Watergate broke, Congress proceeded to take and is now taking revenge.

All of us make errors in the choice of friends, all of us make errors of judgment in our business affairs. What more has Mr. Nixon done?

There used to be an old saying "Don't kick a man when he is down."

When was it repealed? At the time they repealed the 10 Commandments? They must have been repealed since Ellsberg is now regarded as a hero and not as a suspected thief!

INFLATION SKYROCKETS WHILE NIXON ADMINISTRATION WATCHES

Mr. HUMPHREY. Mr. President, almost in unison, Nixon administration economic advisers claim that inflation is cooling, that prices will level, that unemployment will diminish, that the stock market will rebound, and that trade will bloom.

All price increases are explained as temporary, or slight, or the American people are told that inflation will run its course.

Apparently, though, the American people are more perceptive that Nixon economic advisers. The American people know that wholesale prices have been climbing at record rates. The American people know that consumer prices have increased. And, the American people feel that things are not going to get better soon.

Mr. President, a recent editorial article in the Wall Street Journal noted the reputed existence of the "stick in the closet," to be used in case price increases get "too much." But, as the Journal article concludes, "What ever became of the stick?"

The fact is that large corporations are enjoying recordbreaking profits and profit margins. Sales are booming, and the American people are paying the fare.

Mr. President, I recently held hearings on the inflation problem; Herb Stein, Chairman of the Council of Economic Advisers appeared before my subcommittee and painted the same old rosy picture of our national economic condition. In those hearings, I pressed Mr. Stein for a projection as to what he believed inflation would become. He was unwilling to answer my request in specifics.

Mr. President, I think the American people have had enough promises from this Nixon administration. It is time to take strong tough action on the price front.

Mr. President, I ask unanimous consent that James P. Gannon's article, "Phase III's Unused Stick in the Closet"; the Wall Street Journal article relating my exchange with Mr. Stein, and Hobart Rowen's recent article on the perils of phase III and inflation be printed in the RECORD.

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

[From the Wall Street Journal, May 30, 1973]

PHASE III'S UNUSED STICK IN THE CLOSET

(By James P. Gannon)

WASHINGTON.—Somewhere in the White House, there is supposed to be a closet with a stick in it.

The "Stick in the Closet" is the Nixon administration's catch-phrase for the standby powers it has to hit unions and companies which flagrantly violate the quasi-voluntary Phase 3 wage and price controls.

Treasury Secretary George P. Shultz first referred to the stick on Jan. 11, in unveiling the change from the mandatory Phase 2 controls to what he called the "voluntary" Phase 3 curbs. Seeking to distinguish the revamped Phase 3 controls from the voluntary wage and price guidelines of the Kennedy-Johnson years, Mr. Shultz conjured up the "stick in the closet" image and warned that "people who don't comply voluntarily are going to get clobbered."

Inasmuch as this is a time of feverish searching into White House closets, which contain plenty of skeletons if nothing else, it seems timely to ask: Whatever became of the stick?

What seems clear now, after more than four months of the Phase 3 program, is that the stick is more a rhetorical tool and a practical anti-inflation weapon. Nixon administration economic policy-makers, led by Mr. Shultz, believe strongly in basic supply-and-demand strategies to control inflation, rather than in any selective punishing of scapegoats who sin against the wage-price commandments. The mere existence of Mr. Shultz's shillelagh apparently was meant to serve as a deterrent to a possible widespread surge of follow-the-leader type price increases that might follow the expiration of Phase 2 controls.

To be sure, the Phase 3 stick has been rhetorically brandished by Nixon administration economic officials with great vigor and frequency. Alarmed by the widespread reaction that the switch to Phase 3 was actually an abandonment of meaningful controls, Mr. Shultz and his cohorts verbally swing the stick in an effort to restore some of the controls program's damaged credibility.

MR. SHULTZ' WARNING

Only a day after he unveiled the Phase 3 program, Mr. Shultz, who didn't like newspaper headlines that said the White House had "scrapped" controls, summoned a small group of newsmen to his Treasury office to say that the Phase 3 closet contained not only a stick, but a shotgun, a baseball bat and an arsenal of other weapons. And the government wouldn't hesitate to use them, Mr. Nixon's economy policy architect warned.

In the days that followed, as price indexes began ringing inflationary alarms, the administration kept talking a tough controls strategy. William Simon, the new No. 2 man at the Treasury, warned that "Phase 3 is going to get tough if toughness is warranted." Mr. Shultz even strode into that corporate lions' den, the prestigious Business Council, to warn that "someone will get clobbered" if the price and wage rules are broken. "If any of you want to offer yourselves up as that juicy target," the Cabinet officer told the businessmen, "we'll be delighted to clobber you."

So, much has been heard of the stick in the closet. But very little—almost nothing—has been seen of it.

That's not because everything on the inflation front is going swimmingly, of course. As everyone from housewives to purchasing agents knows, the pace of price increases since the Phase 3 program began has been the worst since the Korean war inflation of 1951.

Wholesale prices in the first three months of Phase 3 soared at a seasonally-adjusted annual rate of 21.2%. Forget for a moment the stunning 37.3% annual rate of gain in prices of farm products, processed foods and feeds, and look just at that segment of the economy that ought to be most susceptible to persuasion by the "stick in the closet"—industrial prices. In that three-month period, wholesale quotes of industrial goods zoomed at an annual rate approaching 15%, the steepest in 22 years.

The industrial price escalation reflects sizable markups on steel, nonferrous metals, oil, coal, gasoline, textiles, machinery and many other basic goods. The price of lumber has gone up so much under Phase 3 that, if the White House had to go out today and buy a new stick to put in the closet, it would cost nearly 23% more than in January.

But who has been "clobbered"? Despite the price outbreak, there hasn't been a single case of a company feeling the whack of the Phase 3 stick. The general level of wage settlements under Phase 3 has been much more stable than prices; still, there have been numerous settlements exceeding the admittedly fuzzy 5.5% wage standard, but no disciplining of labor chieftains, either.

Administration men cite various moves as evidence that there really is a stick, but the evidence isn't very persuasive. In March, reacting to climbing fuel prices, the Cost of Living Council reimposed limited mandatory price controls on 23 oil companies. But it has already begun relaxing these in the face of shortages that the companies contend are worsened by the price curbs.

Under political pressures that included a march on Washington by homebuilders, the Cost of Living Council seven weeks ago held public hearings on the soaring price of lumber. Despite the implication that it would stiffen lumber price controls, the Council hasn't followed the hearings with any such action; it is still studying the situation.

As pot roast became a luxury and housewives began boycotting the butcher, the White House took another action that's more symbolic than real: placing price ceilings on beef, pork and lamb at a time when those prices were at historic highs. By locking the barn after the inflationary stampede, the administration again demonstrated its reluctance to tighten controls in any way that really put the squeeze on anyone.

Currently, the administration faces what may be the crucial test of the whole stick-in-the-closet idea. In the midst of the worst industrial price inflation in two decades, the steel industry, led by U.S. Steel Corp., has served up a 4.8% price hike, effective June 15, on about 45% of the industry product line, principally sheet and strip. Now the ball is in the Cost of Living Council's court, where officials are studying the situation.

In the Kennedy-Johnson era, steel price hikes prompted anti-inflationary sticks to emerge from the White House closet even though there wasn't any direct price-control program. Several times during the 1960s, steelmakers trooped down to the White House to have their allegedly greedy knuckles rapped by wrathful Presidents. It became a sort of ritual dance in which the steelmakers stuck their necks out, took a couple of licks, then retreated halfway, leaving everybody with the feeling that something had been accomplished.

There's no way to predict how the Cost of Living Council will handle the steel-price bid. But it's fair to say that if it doesn't do anything to forestall or reduce a price hike that's bound to ripple throughout the economy in coming months, the stick in the closet can be put down as a myth.

A DEBATABLE ISSUE

There's room for debate over whether the stick really ought to be wielded with force and frequency, of course. A case can be made that now is the crucial time for the administration to demonstrate that it won't allow inflation to get out of hand and that it's willing to whack a few scapegoats. This might restore public confidence.

Administration men argue another case: that beating the lumber industry, oil men or farmers over the head with a price stick isn't going to solve supply tightness in lumber, oil or meat. The administration's anti-inflationary strategy is to find ways to boost production or imports of products that are under heavy demand pressure.

The administration, in fact, seems ready to accept a considerable degree of price upturn in a period of strong demand, such as the present. Prices, Mr. Shultz likes to tell listeners, have an essential rationing function to perform by allocating scarce supplies among those willing to pay what the traffic allows.

Thus, classic supply-demand economics is dominating the administration's policy today and probably will as long as Mr. Shultz, an ardent free-market disciple, remains in charge. It's difficult to fit a punitive stick into that philosophical closet. After all, if a businessman is only helping to ration a scarce commodity among all those customers lined up at his door, should he be walloped for it?

Maybe the administration economists are right in their judgment that a general demand-pull inflation can't be effectively and equitably controlled by application of the stick. But if the stick is any more than a rhetorical wand, now's the time to prove it. If not, they ought to quit kidding everybody about the contents of that closet.

[From the Washington Post, June 3, 1973]

ECONOMIC IMPACT OF WATERGATE

(By Hobart Rowen)

Nothing shows the devastating effects of Watergate so clearly as the way the administration has let the economy get out of hand. A serious inflation, which threatens to wind up in a crashing bust, rages uncontrolled, leaving the Federal Reserve to run a patchwork rear-guard action that so far hasn't been effective.

Yet, the economy is about the one area where Mr. Nixon—whose overall authority has been weakened by Watergate—could act decisively, without the necessity of Congressional approval.

Under the Stabilization Act which was recently renewed, he could—if he wished—return the country to the more effective wage-price controls of Phase II.

Consumer credit, exploding at an unbelievable rate, largely due to the disastrous price inflation, needs to be curtailed.

With good logic, many consumers have concluded that they might as well buy today, before tomorrow's price increase. But the problem is that such a large percentage of personal income is now committed to paying off installments that the debt burden begins to act as a drag on the economy.

Treasury Secretary George P. Shultz is committed to the view that the administration's current inflationary posture is adequate, and that nothing tougher either in fiscal-monetary policy or in the wage-price area is warranted.

He knows that it would be almost impossible to get an income tax surcharge through the Congress at this stage of the game. But it's not too late to try to deflate the boom in capital goods—even though, obviously, it would have been more advantageous to have made such a move months ago.

In fact, many economists are of the opinion that the administration has messed things up so badly that there is nothing that can be done at this point to reduce the inflationary dangers in the short run.

Yet there is one fiscal device that can be used, and key officials have been toying with the idea, knowing that the influential Wilbur Mills (D. Ark.) would probably be receptive to it.

That is an additional tax on gasoline, which would have a deflationary effect, help balance the budget and reduce the use of gasoline during this period of the "energy crisis."

Each additional 1 cent in gasoline taxes would bring in an estimated $1 billion in federal tax revenues. What is being considered is a 5-cent additional tax which would raise $5 billion, and just about balance the unified budget in fiscal 1975.

The "do-nothing" crowd in the administration is strongly supported by Dr. John Dunlop, director of the Cost of Living Council, who thinks that the most important contribution to price stabilization is the assurance of labor-management peace.

But there are forces within the administration who think that Shultz and Dunlop are missing the boat by adhering to a narrow view of how to go about stabilizing the economy.

There may be temporary labor-management peace under the private accords Dunlop is making with the big unions. But the average consumer is all too aware that inflation is robbing his pocketbook every day. And as this continues, neither union members nor union bosses are likely to show restraint, despite the vaunted Dunlop "magic."

When consumer prices rose last month at the outrageous seasonally adjusted rate of 7.2 per cent CEA chairman Herbert Stein moved front and center to proclaim it for the TV cameras as "welcome news."

It was "welcome" when compared with February's 8.4 per cent rate and March's record 10.8 per cent rate. And April's food price increase of "only" 16.8 per cent was a blessing, when compared to advances of rates as high as 28.8 per cent within the past three months.

But Mr. Stein knows better than that. The big danger is the rapid upward push in wholesale industrial prices. Over the last three months, the annual rate of increase in this index has been about 15 per cent; in consumer finished goods, excluding foods, it has been at a rate of more than 20 per cent.

The recent weakness of the dollar—stemming entirely from a crisis in confidence because of the Watergate scandal—has resulted in a 3 per cent additional loss in the international purchasing power of the dollar. This, in turn, will be reflected in higher prices for imported raw materials and products.

The January decision to drop Phase II in favor of a weaker Phase III will rank as one of the great disasters in economic history. It was a bonehead play of monumental proportions, totally unnecessary and hard for administration apologists to rationalize even now.

Phase III was brought onto the scene before the inflationary spiral had come under control. Now we are in the grip of a new spiral, immeasurably worsened by the awful climate of Watergate.

It will be tough, and maybe impossible, to get the genie back in the bottle. But the attempt should be made, discarding Phase III, and going back to a very broad Phase II with mandatory wage-price controls and an enforcement agency that really means business.

It is fairly clear that in today's Watergate-saturated Washington, very few persons have the President's ear on economic matters. But it is also reported that John Connally, who once before rescued Mr. Nixon's economic program with the 1971 New Economic Policy, is teaming up with Federal Reserve Chairman Arthur F. Burns and a few others, demanding that Shultz' stand-pat policies be overturned.

But whether Connally can persuade the President to shift gears again remains to be seen. "King George (Shultz) is still the boss," says one disaffected adviser.

STEIN GIVES ASSURANCES INFLATION IS COOLING IN DEFENDING WHITE HOUSE ECONOMIC POLICY

WASHINGTON.—In a busy day of defending White House economic policies, Herbert Stein made an anti-inflation bet with a Senator, donned rose-colored glasses to meet the press and assured both that the recent upsurge of price increases is only a temporary problem.

The President's chief economist, in a morning hearing on Capitol Hill, jousted in sometimes-acrimonious debate with Sen. Hubert Humphrey (D. Minn.), who charged that the Nixon administration's policies were a "disaster" and its forecasts "pipe dreams." In the end, the two men settled on a friendly bet over whether the administration will reach its anti-inflation goal for 1973, with the loser to buy the winner "the best dinner in town."

At an afternoon White House press conference, Mr. Stein showed up wearing glasses with a distinct rose tint ("they are my television glasses," he beamed) and reiterated his morning message: that after a "temporary" surge of inflation in 1973's first four months, the economy is slowing and cooling.

Mr. Stein, who is chairman of the President's Council of Economic Advisers and who is given to occasional rhetorical flourishes, opened his press-conference review of the April economic indicators with this comment: "April is the month we sent out the dove and the dove returned with a twig, suggesting there is dry land in the neighborhood and the floodwaters of inflation are receding."

In a more serious tone, the White House economist told newsmen that signs of a "more moderate economy" were beginning to accumulate in April's statistics. He cited the slower rate of rise in consumer prices compared with the two prior months and declines in monthly retail sales and durable-goods orders.

NO MAJOR POLICY CHANGES SEEN

These welcome developments, he suggested, are further evidence that major changes in the administration's economic policies aren't necessary. The April economic indicators "didn't call for any changes in our policy," he said.

Commenting on the stock market's recent slump, Mr. Stein said he believes Wall Street is "overestimating the uncertainties in our situation." He added: "People are nervous about the way things are going."

When asked if the spreading Watergate scandal was a factor, Mr. Stein said he didn't know, but rejected the notion that the administration's economic policy-making has been paralyzed by the affair. It isn't true, he said, that White House economic aides "are sitting here hypnotized waiting for the next edition of the Washington Post to come out, like a rabbit hypnotized by a snake."

In his appearance before a subcommittee of the congressional Joint Economic Committee, Mr. Stein listened to a lengthy lecture by Sen. Humphrey on the "failures" of administration economic policies. The Democratic lawmaker charged that, "Across the board—from the price of gold, to balance of payments, to stockmarket decline, to consumer confidence, to increasing interest rates—the economic policies of this administration spell disaster."

"That," retorted Mr. Stein, "is the most one-sided, misleading and dangerous description of the American economic situation that I've ever heard." After some sparring with the White House official, Sen. Humphrey said he was most disturbed by optimistic administration forecasts of a slowdown in inflation.

A WAGER OVER INFLATION

Noting that the gross national product price index, the broadest measure of inflation, rose at a 6.6% annual pace in the first quarter, Mr. Humphrey pressed for a second quarter projection by Mr. Stein. "We'll probably have a fairly high figure in the second quarter," the White House economist conceded, but said it would be "significantly" less than 6.6%.

Citing the Nixon administration's projection that the GNP price index for all 1973 will rise about 4% from 1972, the Senator challenged Mr. Stein to a wager. "I'll bet you the best dinner in town that you can't get it down to 4%. How'd you like to take that on?"

"I'll take that on," Mr. Stein replied, "because I can't lose. I'd love to have dinner with you anyway."

In his prepared remarks, Mr. Stein suggested that "the great surge of inflation in the last three months" is ending. "My basic view," he said, "Is that the rapid inflation recorded from January to April was largely the result of temporary forces and that the rate of inflation won't continue at this rapid pace but will slow down considerably in the remainder of this year."

The "temporary forces" cited by Mr. Stein include a spurt in food prices, a surge in economic activity in the U.S. and abroad, the 10% dollar devaluation of February which raised prices of imports, the January change from the mandatory Phase 2 controls to the quasi-voluntary Phase 3 restraints and fears of a new price freeze which may have triggered anticipatory price boosts in recent weeks.

"Most of these phenomena were, we believe, temporary," he said.

THE BETTER COMMUNITIES ACT

Mr. GOLDWATER. Mr. President, as this body knows, there are many communities throughout the country that are vitally interested in the so-called Better Communities Act which would alter and make more flexible the Federal funding of community needs.

Among the municipalities concerned with this problem is the city of Tucson in my home State of Arizona. The mayor and city councilmen of Tucscon believe that the government bodies of the communities have a more knowledgeable insight as to the urgent physical, social, and economic needs in their unique areas. They believe the Better Communities Act recognizes this fact and would enable quicker and better allocations of funds where they are most needed with a minimum of delay, red-tape, and overlapping.

Pursuant to this belief, Mr. President, the mayor and the councilmen of the city of Tucson have adopted a resolution urging the President and the Congress to give early and favorable consideration to adoption and approval of the Better Communities Act. I ask unanimous consent that the resolution be printed in the RECORD.

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

RESOLUTION NO. 8806—RELATING TO THE BETTER COMMUNITIES ACT

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

The substitution of federal funding of community needs from the grant-in-aid programs to the more flexible method proposed under the Better Communities Act would be of great help to the cities and towns and their citizens.

The governing bodies of communities have a more knowledgeable insight as to the urgent physical, social and economic needs in their unique areas, and the proper priorities that should be established for each. The Better Communities Act recognizes this fact and enables quicker and better allocation of funds where they are most needed, with a minimum of delay, red tape, overlapping and inflexible distant decisions and controls, and we heartily endorse this Act.

Wherefore, your Memorialist, the Mayor and Councilmen of the City of Tucson, Arizona, prays:

That the Congress give early and favorable consideration to and adopt this Better Communities Act, and that the President approves same.

The City Clerk is hereby directed to send copies of this Memorial to the President of the United States, Richard M. Nixon; to Senator Barry Goldwater, Senator Paul Fannin and Representative Morris K. Udall; to the Chairmen of Committees to which this Act has been assigned, and to the Secretary of the Department of Housing and Urban Development.

COMMUNITY MENTAL HEALTH CENTERS ACT

Mr. MONTOYA. Mr. President, 10 years ago this body began a fight for the mental health of every American. The legislation passed then created a program which has been so successful that—Mr. President, I must apologize to the members of this body for making what must seem like an Alice-in-Wonderland ending to this sentence: the program was so successful that the administration has now asked that we destroy it, stop funding it, and ask our mental health professionals to go back to square one in their search for funds to build, staff, and operate community mental health centers.

Has the problem gone away? No. Like other health problems, mental illness will not disappear. This Nation must continue to search for better ways to provide for the health care of its citizens, including better mental health care.

Today one out of every four American families has a member in need of some kind of professional mental health care: an estimated 20 million mental patients.

Nine million Americans are alcoholics: patients whose illness results in one-third of all our suicides and one-half of all our homicides.

At least 600,000 Americans are heroin addicts; their addiction is an illness which is reflected not only in health statistics, but in crime statistics, as we all know.

Ten million American children are in need of the preventive mental health care which we now have the capability—but not the facilities or the staffs—to offer them.

As a result of mental illness 20 billion production dollars are lost every year in the United States, proving that President Nixon was correct when he stated to Congress in 1971:

Not only is health more important than economic wealth, it is also its foundation.

Those figures represent needs which are not going to disappear or diminish, no matter what we decide here in this Chamber, and no matter what the administration proposes. Ten years ago, after examining the reports of the Joint Commission on Mental Illness and Health, the Congress faced that truth squarely, and determined to make available to every American in his own community the best mental health care possible. It was not a partisan issue. It was not a temporary or short-term commitment. Our goal then was the creation and operation of 1,500 community mental health centers by 1980, so that mental health care could be provided for the entire population regardless of ability to pay.

The 1963 Community Mental Health Centers Act sought to provide sensible, ongoing assistance from the Federal Government to the States through matching funds grants for construction, for research and for staffing.

With that legislation, Mr. President, we set in motion a program which has accomplished the seemingly impossible: in the face of unprecedented inflation in other kinds of health care costs, this program has been able to treat more patients each year—and for less money per patient. It has truly allowed us to do more with less, and to do it better.

The cost for treatment of the nearly one million patients served in community mental health centers in 1972 was less than one-tenth what it would have cost us to treat those same patients in State institutions.

There has been a dramatic reduction in the resident population of State mental hospitals: from 558,000 in 1955 to 276,000 in 1972. Part of that reduction is due to better forms of medication, but it is significant that cutting our inpatient population in half exactly parallels the growth of the Federal program to fund community centers.

One need only compare the average per-patient-episode cost of $380 in community mental health centers to the per-patient-episode cost of $4,749 average in other institutions to understand the economic effectiveness of this program. Because only 11 percent of patient care in the centers involves in-patient care, costs can be dramatically reduced.

But cost alone should not be our criterion in health care. We want the best health care for Americans, of course. Every expert in the field now agrees that long-term inpatient care for mental illness is self-defeating in most cases. The old-fashioned concept of hiding our mentally ill neighbors in snake pits with high walls—"warehousing," the professionals call it now—has been outgrown. We now know that isolating human beings causes changes in brain chemistry which result in mental illness. Thus "warehousing" patients is a vicious circle, with no escape for the patient.

The community mental health center concept of treating mental patients near their homes, on an outpatient basis if possible, has broken that circle. With local care which includes posthospital consultation, educational programs in the community, and preventive services,

the average length of hospitalization has been reduced to less than 20 days, and hope for a normal life has returned to thousands of sick Americans.

The centers created by the program Congress initiated 10 years ago have begun to provide effective health care in the least expensive and most humane way possible. Through the treatment of mentally ill patients near their homes, in their own communities, and on an outpatient basis, mental illness is beginning to be considered a terminable disease instead of an interminable nightmare.

This program has clearly met all the requirements of the administration's stated desire for "change that works."

Yet now we have been asked to abandon it one-third of the way toward the original goal. We now have 493 centers operating, with the Federal Government providing approximately 30 percent of the funds for construction, research, training and staffing. But there are still more than 1,000 catchment areas which do not have centers, Mr. President. More than 150 million people do not have access to a community mental health center yet. Many of these are the people most in need, since poverty and near-poverty areas have been least able or slowest in qualifying for the matching funds.

This administration has a record of opposing health programs while giving them lip service, unfortunately. Through vetoes, through impoundment, and through failure to support existing or proposed legislation, they have made clear their lack of interest in a medical care system that works for all the people.

In 1971 and 1973 they requested no construction funds for community mental health centers. They have opposed authorization for money in the mental health field as well as in other health fields. It has recently been reported that 78 applicants currently have approved but unfunded grants for the development of new community mental health centers. More than 96 more such applications are said to be "in the pipeline"—that is, they are still waiting approval and funding decisions.

Yet the 1974 budget request of the President asked for no money for new centers, and requested a phasing out of the Federal support for existing centers. The budget asked for no funds for new research training programs for psychiatrists.

Why? The administration's position in asking for these cuts is hard to follow, but it seems to be phased on the theory that our aim in creating this legislation was to "demonstrate" an experimental program. Using that reasoning every Federal program which operates through authorizations with expiration dates is a "demonstration program"—and that would include, of course, most of those programs administered by HEW.

A second argument made by Secretary Weinberger has been that since only one-third of our needed number of community mental health centers have been built or funded, it is unfair for them to continue to exist while the rest of the country does without. The purpose of this legislation, of course, was to move toward the time when all areas of the United States were served by community mental health centers. We are part of the way down that road, and it is difficult to see how we would ever get to the end of the road if we stopped taking one step at a time. It is true that some communities now have the advantages of community health centers, while others do not. But eliminating the health care we are helping to provide in one area will not noticeably help other needier areas. That seems a remarkably naive argument, Mr. President.

A third contention of Mr. Weinberger has been that the money provided by the Federal Government should now "be absorbed by the regular health delivery system." This is the most treacherous of all the arguments made in defense of the budget cuts. According to HEW press release, financing for the mental health program can be accomplished by contributions from individuals, State and local governments, reimbursements from third-party systems, patient fees, revenue sharing, or national health insurance.

At the present time no national health insurance exists, of course. The administration's own proposal specifically excludes mental health care. While national health insurance may someday provide the means by which all Americans can receive adequate mental health care, that day is surely not here yet. How can existing centers survive until that day? How could new centers ever be built?

Special revenue sharing for health has not been proposed and may never be proposed.

General revenue sharing has not contributed significantly to any service programs. The competition in the states and cities for that money is severe—and not likely to get better.

Existing government programs like medicaid or medicare provide only a fraction—6 percent—of present support, and are limited to the elderly or to other specific groups. Coverage varies from State to State, as do the State laws regarding it.

Private insurance policies rarely cover mental health care, and are usually very expensive. What that really mean is that only those who can already afford mental health care are covered. But the majority of community mental health center patients have incomes below $5,000. It would be impossible for them to pay the full costs of the services they need.

State and local governments now provide almost 40 percent of the funding for the community mental health centers, Mr. President. The Federal Government has provided about 30 percent up to this time. The rest has come from sources of that "regular health delivery system" Mr. Weinberger speaks of—and my evidence shows that the amount it can contribute is limited to approximately what it has contributed in the past—at most one-fourth of total cost.

In my State of New Mexico we feel the mental health center concept has been very successful. Since the opening of the Bernalillo County Mental Health Center in 1969, more than 11,000 adults and 1,400 children have been served. This is a multi-ethnic, low-income and high-unemployment area, where the need is severe. The center program has actively involved prevention, treatment and rehabilitation of mental and emotional disorders, mental retardation and drug abuse. In addition it provides a wide range of services including 24 hour hospitalization, outpatient treatment, aftercare and neighborhood-based mental health services in speech and hearing, community education, and suicide prevention.

One aspect of the Bernalillo County program which is important to a State like New Mexico is the center's success in directly serving residents other than those in Bernalillo County. It has provided consultation, education and information to 62 centers, councils, schools, and workshops throughout the State of New Mexico, and is especially helpful to areas where the low population ratio makes a full time center impractical. The number of those patients sent to the State hospital from Bernalillo County is at an all-time low of 4.5 percent today, as compared to the 28 percent referred prior to the opening of the center.

But, Mr. President, the Bernalillo Center is one of those which would suffer drastically if the funding for the Community Mental Health Centers Act is not extended or renewed.

I would like to read to you one paragraph from a letter sent to me by Dr. Walter W. Winslow, director of that center:

> While there is broad community support for the Mental Health Center, there is little or no prospect that additional local funding can be obtained. There is as yet no CMHC Act in the State, nor is there any mil levy or other taxation device available for continuing support. The current "tax revolt" almost precludes further local community monetary support. We are already collecting about all of the fee for services that we can under existing legislation. The majority of our services are furnished by paraprofessionals and are not billable. We also provide a wide range of services that are preventative, consultive, educational, or rehabilitative, and there is no payment mechanism for these services. It has become abundantly clear that the revenue sharing funds are going for capital improvements and not operating funds. In short, none of the arguments advanced are entirely valid. It is the considered opinion of the staff of this Center that it is absolutely essential to extend the Community Mental Health Centers Act.

I think, Mr. President, that Dr. Winslow's statement speaks for itself. Under the budget restrictions suggested by the administration, the programs which have been developed with such care—programs which HEW admits are working well and should be continued—programs like the Bernalillo County Mental Health Center—would be cut off from Federal funding which is life-blood itself to them.

The long term costs of mental illness neglected are very high. Are we prepared to pay them someday? Will our children be better able to pay in the future the costs of our neglect today?

Certainly we have found a better way to serve mentally ill patients. We know

now what works. All we have to do is to keep it working while we continue to move toward the day when it will be working for every community in America.

It was essential that we extend through fiscal year 1974 the minimum funds to support the ongoing programs and fund new centers. The Senate and House have overwhelmingly supported that proposal. It is now imperative that we consider reinforcing the Community Mental Health Center Act in order to make sure that our original goal will be met—mental health care for every American who needs it.

Mr. President, I ask unanimous consent to print in the RECORD two further letters concerning the community health centers operating in New Mexico and their accomplishments as well as their needs. (Letter from Joanne W. Sterling, February 6, 1973, and letter from Walter Winslow, April 17, 1973.)

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

BERNALILLO COUNTY MENTAL HEALTH CENTER,
Albuquerque, N. Mex., February 6, 1973.

Hon. JOSEPH M. MONTOYA,
U.S. Senate, Committee on Appropriations, Washington, D.C.

DEAR SENATOR MONTOYA: Your inquiry concerning our neighborhood services program is very much appreciated. I hope the following information will be helpful.

As outlined in our brochure, there are six neighborhood mental health contacts teams located within the Bernalillo County area. Five of these are located in "storefronts" within the following areas; Barelas, Martineztown, North Valley, South Valley, and the South Broadway area. The sixth is the Heights Team which is located within our central facility rather than being based in the community. While the staffing pattern of each team varies somewhat, they do employ nurses, social workers, child development workers, psychologists, and para-professional mental health workers. Many of the latter are residents of the neighborhoods in which they work and are graduates of the Department of Psychiatry's two year New Careers training program which leads to an Associate of Arts degree. Psychiatric consultation services and other specialized treatment and evaluation services are made available to the teams on an as-needed basis.

The neighborhood-based teams focus upon providing mental health care to the residents of their service areas. This includes providing counseling and treatment to persons whose emotional problems can be dealt with on an out-patient basis as well as follow-up treatment to patients who have required short-term, in-patient care at the center or longer-term care at the state hospital. During the month of December, for example, these six teams saw 724 patients for a total of 1298 contacts.

Since last July, our neighborhood services have expanded significantly by means of three special grant programs. Our Youth Services section has developed a soft drug abuse program for young people which involves two drop-in centers; one of these is located in the Old Town area and the other is on South Broadway. Also, a transitional living facility for up to 14 youth who are estranged from their families will open soon on North 12th Street. Approximately 150 young people are currently involved in those programs at present. Through the Law Enforcement Assistance Administration we received two small grants which enabled us to establish a rehabilitation program for ex-convicts and their family members and a specialized treatment program for sex offenders. Those programs have a combined caseload of about 170 individuals and are located in the Southwest section of the city.

I hope the above summary will be helpful. If your schedule should ever allow it during your visits to Albuquerque, please feel free to visit our center or any of its components. We would be delighted to talk further with you, or any member of your staff, about areas of our program which are of interest.

Thank you very much.

Sincerely,
JOANNE W. STERLING, Ph. D.,
Assistant Director for Special Programs.

BERNALILLO COUNTY MENTAL HEALTH CENTER,
Albuquerque, N. Mex., April 17, 1973.

Senator JOSEPH M. MONTOYA,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MONTOYA: We would like to take this opportunity to thank you for taking the time from your busy schedule to meet with us on April 3, 1973.

You requested that we supply some data on the success of Community Mental Health Centers in New Mexico and we would like to submit the following for your consideration.

The State Mental Hospital maintains records of admissions of mental patients on a county by county per capita basis. Prior to the opening of the Bernalillo County Mental Health Center in February, 1969, Bernalillo County ranked 24th per capita. By June, 1972, Bernalillo County ranked 31 of 32 counties with neighboring Sandoval County ranking 32. This is an indication that the Center is having an impact on that county and is borne out by the enclosed statistics showing 87 contacts from Sandoval County.

Equally significant is the fact that the counties served by the Southwest Mental Health Center in Las Cruces are ranked 27 through 30 in the per capita admissions. Neighboring Valencia County also has an excellent per capita rating because of the availability for our services.

Since the average stay at the State Hospital is approximately 65 days and costs are roughly $20 a day, there is approximately a $1,300 hospitalization bill. At this Center our average inpatient stay is 5 days and our costs are $33 a day, so there is a comparative hospitalization figure of $165. This, aside from the humanitarian aspects, is certainly a more economical manner of treating the mentally ill. In addition, we have 65 to 70 children in special day schools for mentally retarded, emotionally disturbed, and deaf/blind children who would most likely end up in one of the state institutions of the retarded for their entire lives if it were not for these training programs.

It is our opinion that rather than cut back the community mental health centers, effort should be made to establish a network of such centers throughout the entire state.

As you well know, the tax base in most counties in New Mexico (where some are almost entirely public lands) is such that this can never become a reality without substantial federal support. These are among the most significant statistics, but if you require other specifics, please indicates the type of data that you want and we will attempt to supply it.

Again, many thanks for your cooperation.

Yours sincerely,
WALTER W. WINSLOW, M.D.,
Director.

NO BLANKET AMNESTY FOR DRAFT DODGERS AND DESERTERS

Mr. THURMOND. Mr. President, I was very glad to see a recent editorial on WSPA television which voiced strong objections to a blanket amnesty for draft dodgers and deserters of the Vietnam War.

As the editorial pointed out:

It is not amnesty for the undeserving we need, but a big dose of responsibility, disciplines and respect for law.

This goes straight to the heart of the matter.

Mr. President, I ask unanimous consent that the editorial entitled "Amnesty? No!," which appeared on WSPA Radio and Television May 31, 1973, be printed in the RECORD at the end of my remarks.

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

AMNESTY? No!

There is a saying about "turning the other cheek" and it would seem that this is what the Conference of Major Superiors of Men are requesting. The Conference is an organization of some thirty thousand priests and brothers consisting of 180 Catholic orders.

They have urged unconditional amnesty for all Americans who broke the draft or deserted military units to avoid service in the Vietnam War. WSPA sees no reason to give these men universal and unconditional amnesty. Each of these deserters made his own choice. Over forty thousand Americans stood firmly behind their country and gave their all. How this Conference of Major Superiors can ask that the American people should forget these total sacrifices and those of thousands more of their comrades who will bear scars for life, is beyond our comprehension. To grant total amnesty to those who refused to serve would be a disservice to every American who died. These people who are weeping scalding tears for deserters say that it will take unconditional amnesty to heal division and restore harmony to the nation.

WSPA disagrees. As we see it, it is not amnesty for the undeserving we need, but a big dose of responsibility, disciplines, and respect for law. If this country's moral fiber is to regain its consciousness, then we must teach our citizens that they have rights and they have responsibilities, and the two go together like ham and eggs.

BACKPACKING IN UTAH

Mr. MOSS. Mr. President, the delights of backpacking into Utah's Escalante Canyon are described in colorful detail in an article which was carried in the Washington Post on Sunday, June 3. Since I have hiked the area myself, I thoroughly enjoyed Stephen Silha's account of his trip. There are no roads in the Escalante, no mechanical means of transportation, no vestiges even of civilization. One couldn't be farther away in spirit, or in actuality, from the noise and pollution of city life.

I recalled with some satisfaction that it was my bill to establish the Glen Canyon National Recreation Area, and enacted by the 92d Congress, which set in motion the wheels to protect the Escalante. That bill expanded the boundaries of the Glen Canyon Recreation Area to bring into it all of the Escalante watershed from Harris Wash southward, and provided that the entire area should be studied for possible wilderness designation. That study is now underway.

The road mentioned in the article, which is necessary to provide access to

Lake Powell, was also authorized by that bill, but routed specifically to cross the river at the lower end of Escalante Valley, close to the shores of Lake Powell, so that the upper reaches of the canyon could not be violated in any way, but could be kept in their present primitive state.

So come west to Utah's Escalante Valley all of you backpackers—a great experience awaits you.

Mr. President, I ask uanimous consent that the Washington Post article, entitled "The Backpacker Owns the Earth," be printed in the RECORD.

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

THE BACKPACKER OWNS THE EARTH

(By Stephen Silha)

ESCALANTE, UTAH.—Brushing breathlessly against redrock cliffs, gnawing on a stick of beef jerky, clambering over boulders dumped by a rockslide, tromping near Indian ruins; a backpacker owns the earth. Backpacking gave us a rare look at ourselves: swallowed by canyons, yet towering over toads.

This is the Escalante River Valley in southern Utah. Above the canyon walls are rocks, sand, scrub juniper and ruthless desert sun; in the moist canyon itself, cottonwoods, a little quicksand and surprise rain showers. Everywhere, incipient adventure but few humans.

Like many modern Daniel Boones, we had abandoned freeways and motel frills to follow the pollution-free, naturally air-conditioned, hoof-beaten trail to jagged cliffs and opened eyes.

I felt a bit quilty taking an airplane out of the usual East Coast turmoil into the quiet of Salt Lake City, which is fast becoming a magnet for skiers and backpackers; a rather polluted Mecca in the shadow of the beautiful Wasatch Mountains. My guilt faded as I saw how the automobile dominated the city; better not to own one. Airplanes and backpacks complement each other.

On our small-craft flight to rugged Escalante, we saw how much of Utah is unsettled, raw looking. The desert yawned and we went in: a backpacking, bird-watching, walk through cactus and cattle country and into Coyote Canyon.

In and alongside the uneven creek, we probed the canyon floor as deeply as the pack straps dug into our backs.

"Watch out for rattlesnakes," a local tour leader told us. It was, I thought, his way of saying, "Keep your eyes on the ground; there's much to see."

We never saw a snake, But we did see much else: budding wildflowers, waterfalls, lizards, the abandoned cave-home of some Colorado uranium speculators, frogs, canyon wrens, color-crayon cliffs striated by iron deposits and earthfolding and magnificent red-and-yellow arches.

Undaunted by a few threatening clouds in the midmorning sun, we entered the canyon through a gradual ravine called Hurricane Wash. By early afternoon, we had found a dry campsite in a large cavelike hollow part way up the steep canyon wall. A brief rain capped the canyon with a rainbow. I was glad to have hiking boots with thick, rubber-cleated soles and high tops with no sidearms. I spent much of my canyon time traversing Coyote Creek trying to avoid the eddying pools while snapping pictures, exclaiming over shapes and colors, and keeping up a steady pace.

Experienced packers seldom rest (some say 5 minutes every hour). They keep an even pace until they reach a campsite, usually before midafternoon. Then, after setting up camp (finding the right terrain, deciding on places to eat and sleep, collecting wood and water) they play. They swim, explore distant arches and crags, or walk to interesting spots seen that morning.

Howling coyotes, far away. Laughing canyon wrens, up close. Now the thrill of coming upon an improbable rock arch. Then the quiet of a cold bath in a "tub": a rare, three-foot deep spot where the creek massages goose-pimpled skin. . . .

Yukon Pie, a meatless dish that tastes like a rich beef stew topped by fluffy dumplings shows how soy protein and freeze-dry technology have outflavored the old powdered camping fare. Most ecologically minded campers no longer cook over an open fire, though they may start a small night fire for light and warmth. A pack-sized stove that runs on kerosene, white gasoline, or a compressed-gas cartridge, can start faster and cook more efficiently than the diffuse flames of wood.

Such are the joys available here to anyone willing to heft a pack. Even children generally do well on the trail, especially if they're natural out-doorsmen. They can carry their lightweight share of the load, too.

Bob Sorenson charges $25 per person for a jeep ride down the dusty dirt road from Escalante to Coyote Canyon (where the backpacking is choice) and back. We understood why after we saw the rugged rockbed he drove over. With more time, we could have walked. It would have been long and hot.

Malin Foster, who runs a trail-guide and outfitting company called Peace and Quiet, Inc., will provide backpacks, sleeping bags, meals, and know-how. "Spring and fall are the best times to hike in this country" he suggests. "Mid-summers are too hot and there's a danger of flash floods." Many people drive in their own cars, park them under a tree and strike out on their own with a map.

Backpacks are rugged. Their (usual) nylon shells and aluminum frames can withstand reasonable abuse and are available in all sizes. Parts that could break are replaceable. Reports still abound of backpacks being damaged by airline handling. But as more travelers carry packs, the baggage tossers learn where it's best to store the packs and where not to pick them up. Today most packs come through unscathed.

The exhilaration of backpacking can happen anywhere. Like the Escalante Valley, many areas retain their magic because of relative inaccessibility by any means but the trail. Out here, a proposed new highway (which would allow more people to see the valley) threatens to change it for backpackers, and environmentalists are fighting to stop it.

Their argument is based on new reality in many people's lives: leisure time, mobility and affluence, which foster the desire to use wilderness areas. A Wasatch Mountain Club flyer calls the public's new wilderness approach "more sophisticated," with a "hunger for nature that cannot be satisfied merely by more boat marinas, waterskiing facilities, mass-camping areas and highways."

Richard Holmstrom, sales manager for Kelty Manufacturing Company of Glendale, Calif., points to President John Kennedy's physical fitness program of the '60s as a key spur to muscle-bending vacations. Like most pack manufacturers, Kelty is based on the West Coast, "where the sport began."

Modern metal pack frames, which transfer 75 per cent of the pack's weight to the hips, were invented only in the past 20 years by A. I. Kelty and some friends who hiked the Sierras and the Rockies toting gunny sacks. Now though pack companies call it an "infant industry," pack-and-frame selling is big business.

In fact, backpack manufacturers have increased production by 25 per cent each year and plan to continue expanding. Salesroom reports, until a recent lull, have shown business almost doubling yearly. Foreign imports are large.

Next to biking, backpacking may be "the new No. 1 summer sport," outfitters proclaim. Yet Charles Kallman, who runs a 12-year-old store in Boston called Wilderness House, sees backpacking giving way to mountaineering. This is a more rugged sport yet, involving climbing ropes, axes and other special equipment.

In spite of all the new synthetics, he advises, there's still no substitute for the strength and warmth of wool clothes, down sleeping bags and leather boots for either backpacking or mountain climbing. Wool retains its warmth even when wet. A good pair of boots costs from $35 to $70. Pack and pack gear can ring up a bill from $45 to $100. Down sleeping bags run an additional $45 to $140.

Fortunately, I can always leave the world of prices and take to the trail. My pace slows down, the city tension melts.

"This place knows no time," echoes Utah canyon guide Bob Mcdougall as he and his dog Duff (who caries his own supplies in his own pack) pause to meditate in front of a balanced rock.

The Utah Travel Council, Council Hall, Salt Lake City, Utah 84114, publishes a guide to "package tours" listing prices and details of possible trips such as the one described above.

BOOKS TO GET YOU STARTED

Mention backpacking to any outdoorsman and he'll likely blurt out "'The Compleat Walker' by Colin Fletcher" (Knopf, $7.95—hard cover only) before you have a chance to ask what book to read before your trip. The book's 353 pages present in deft detail the techniques and philosophy of Fletcher the backpacker. And his may be the only book which in itself can prepare a novice for backpacking.

Recently, several newer, less expensive paperbacks have come out giving helpful looks at backpacking lore:

"Pleasure Packing" by Robert S. Wood (Condor, $3.95) gives a free-wheeling look at "how to backpack in comfort." Outstanding section on pre-trip conditioning.

"Backpacking One Step at a Time" by Harvey Manning (REI Press, $7.50) is a competent, equipment-oriented manual, straightforward and accompanied by humorous drawings.

"Backpacking It!" by Andrew Sugar (Lanver, $1.95) is much shorter, selective, and includes regional maps on where to go packing.

"The Compleat Backpacker" by Jerry Herz (Popular, $1.50) is a wide-ranging guide that opens with warmup exercises to do at home and ends with a section on emergency wilderness survival techniques.

MANPOWER FOR DEFENSE

Mr. GOLDWATER. Mr. President, at a time when we are becoming increasingly aware of sophisticated weapon systems, it is a bit ironic that the principal focus of attention has recently returned once again to the human weapon—the soldier—the man. Among the more important questions now being raised in the matter of our national defense concerns how many men we will need, how much they will cost; how are we to get them and how can they be used most effectively?

It stands to reason that despite all the talk of automation and exotic weaponry nothing has yet been invented that will replace the man on the ground as a final determinant of success or failure in battle. It is perfectly obvious, but even

so it requires repeating and emphasizing from time to time that without man the machines and the weapons of defense are largely meaningless.

Mr. President, many people do not yet realize that we spend about 56 percent of the total national defense budget for manpower procurement, retention, pay and related programs. A great deal more needs to be known by the public generally about the very large role military manpower still plays in our total defense picture.

Recently, Mr. President, the Association of the United States Army produced an excellent position paper entitled "Manpower for Defense." It goes into questions such as how many men we will need and what it is likely to cost the taxpayer to maintain an effective force. Because of its great importance to the members of the Senate I ask unanimous consent that this position paper be printed in the RECORD.

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

MANPOWER FOR DEFENSE

INTRODUCTION

In an era of increasingly sophisticated and exotic weapons systems, there is at least a modicum of irony in the fact that the principal focus of attention now should return again to the ultimate weapon—the soldier—man. How many do we need? How much do they cost? How do we get them? and How do we use them most effectively? These are four complicated questions for which uncomplicated answers are being sought—and this won't be easy.

Many factors contribute to the dilemma. Nothing has yet been invented nor is likely to be that will replace a man on the ground as the final determinant of success in battle, or, for that matter, as the visible and credible segment of defense. For without him, the machines and weapons mean nothing. We have gone far in supporting and moving men to and on the battle area. But the costs of going further in mechanization and weapons systems are rapidly reducing our options.

The idea that every able-bodied man has some obligation to his country for military service if needed has lost currency in some circles. As a result, our Armed Forces must resort to the more costly route of obtaining manpower exclusively from voluntary sources, and there are indications that it could be difficult to continue to get the numbers and quality needed.

Despite great and continuing efforts to make our manpower more cost-effective, to streamline our forces and to eliminate unnecessary operations, we will still spend about 56% of the national defense budget for manpower procurement, retention, pay and related programs. The basics of military manpower needs play a very big role in our total defense picture. It is a role that deserves closer scrutiny and wider understanding. Manpower constitutes the most essential of all resources in our defense system.

HOW MANY DO WE NEED?

In Part II of this study, "How Much Defense Do We Need?", we explained the application of the Nixon Doctrine, the Total Force Concept and the resultant 1½ war strategy that serve as the national basis for determining our country's military manpower needs. These have permitted a number of actions to be taken which have allowed us to reduce the active forces to the present baseline levels.

Under the Nixon Doctrine, we rely on our allies to do more for themselves.

Under the Total Force Concept, the Reserve and National Guard forces have been given a much bigger and more responsive role in our war plans than heretofore. And it is announced national policy that any future expansion of our Armed Forces required in national emergencies will be accomplished by mobilizing the Reserve and National Guard.

The wind-down of the war in Vietnam has greatly reduced the number of service personnel in transit. At the height of the Vietnam war, where a tour of combat duty was limited to 12 months, more than 60,000 men were in that pipeline at any given time. Obviously, these men were not available for any other duty. Also contributing to personnel turbulence were the two year commitments of draftees. Increasing the average tours of duty at a given station from 12 months in Vietnam to an average of 3 years will have, among its other benefits, the advantage of further reducing the transient portions of the Armed Forces and also to reduce moving costs which are expected to be down by 33% compared to FY72.

Good progress has been made, especially in the Army, in improving the combat to support forces ratio—the so-called teeth-to-tail. Reorganizations to eliminate headquarters and the closing of unneeded bases contribute to this improvement. During FY74, as an example, the Army will increase the manpower devoted to our combat division forces by almost 6,000 despite a reduction of approximately 21,000 in total active Army strength.

In FY73, the programmed Army forces will move towards a higher ratio of combat to support forces. An indicator of the emphasis placed on combat power within active division forces can be obtained by examining the number of divisions and support increments in the active Army force. The table below shows the breakdown of divisions and support increments from FY70 to FY74:

SUMMARY OF ACTIVE ARMY DIVISION FORCES

	Fiscal year—				
	1970	1971	1972	1973	1974
Divisions	17⅓	13⅔	12⅔	13	13
Support increments	27⅓	19⅓	14⅓	1[illegible]	14
Divisions as percentage of division forces	39	41	47	48	48

The percentage of the force that is made up of divisions is shown continually increasing from 39% in FY 70 to 48% in the FY 74 baseline force, reflecting an increasing emphasis on combat power in the active division forces for this time period.

A further measurement of the relative emphasis the Army places on combat power is the ratio of total Army manpower to the number of divisions. This ratio is shown below:

RATIO OF ACTIVE ARMY MANPOWER TO NUMBER OF DIVISIONS

Fiscal year:	
1970	76,300
1971	82,200
1972	65,200
1973	63,400
1974	61,800

Where feasible, jobs that have been done by military personnel are being turned over to civilians. Some 31,000 jobs are scheduled for civilianization throughout DOD in the FY74 budget. Ten thousand of these will be in the Army.

The use of women in the Armed Forces is being greatly accelerated.

Thus it is clear that many actions have been taken to give us only the minimum Armed Forces that are required for our national defense and at the same time to try and ensure that what we do have are effectively utilized.

There is a certain risk in relying so heavily on our allies—where only our own national interests may be involved—but we've taken it. There are risks involved in relying entirely on voluntary enlistments to keep our forces at full strength—which they must be—but we are taking those too. The large responsibilities assigned to the Guard and Reserve assume that they can maintain adequate strength and be provided with the equipment required, the training areas needed and the strong support of the active establishment on a sustained basis.

One cannot review these actions taken and the risks assumed without wondering whether or not we have already cut our forces below the level of prudence. Certainly no further manpower savings can be expected without dramatic changes in our national objectives and commitments.

HOW MUCH DO THEY COST?

The question of manpower costs involves not only the pay and allowances that those in uniform receive, but also the recruiting and incentive costs that are involved in getting and retaining people. Nor can retirement costs be ignored, for they too play a significant part in assessing our military manpower costs.

In the past ten years, manpower costs have risen from 41% of the defense budget to 56% of the budget now being considered by the Congress. From FY54 to FY64, defense pay costs rose by $4.6 billion, while active military and civil service manpower fell 801,000 (17.7%). From FY64 to FY74, pay costs rose by $21.9 billion, while manpower fell by 474,000 (12.7%).

According to studies completed by the staff of the Senate Armed Services Committee, the average cost of maintaining a U.S. soldier on active duty has risen from about $3,443.00 in FY50 to $12,448.00 in FY74—an increase of 262%. Pay boosts have accounted for more than half of these increased costs.

COST PER "SOLDIER" FROM FISCAL YEAR 1950 TO FISCAL YEAR 1974

Fiscal year	Active force average strength (thousands)	Manpower cost in defense budget[1] (millions)	Dollar cost per "soldier"
1950	1,539	$5,299	$3,443
1955	3,178	12,337	3,882
1960	2,489	12,122	4,870
1965	2,668	15,232	5,709
1970	3,294	25,588	7,768
1974	2,277	28,344	12,448

[1] The amount in col. 2 includes the military personnel appropriation for each fiscal year (which consists of military basic pay, regular and variable reenlistment bonuses, separation pays, special pays, housing and subsistence allowances, etc.) plus the cost of constructing and operating family housing, the cost of medical programs and certain training costs. This amount would therefore cover all pay and allowances of military personnel in cash or kind plus a large portion of the personnel support costs. Relatively small portions of the above costs were estimated for prior to 1956.

EXAMPLES OF THE INCREASES IN ANNUAL MILITARY PAY AND ALLOWANCES[1] FROM JULY 1, 1949 TO JAN. 1, 1973

Grade		Years of service	Pay and allowances Oct. 1, 1949	Jan. 1, 1973	Dollar increase	Percent increase
O-10	General	30	$13,761.00	$40,030.56	$26,269.56	191
O-9	Lieutenant general	30	13,761.00	39,969.36	26,208.36	190
O-8	Major general	30	13,761.00	36,434.16	22,673.16	165
O-7	Brigadier general	30	12,222.00	32,204.16	19,982.16	163
O-6	Colonel	27	9,981.00	28,424.16	18,443.16	185
O-5	Lieutenant colonel	22	8,613.00	23,636.16	15,023.16	174
O-4	Major	16	7,236.00	19,589.76	12,353.76	171
O-3	Captain	10	6,030.00	16,497.36	10,467.36	174
O-2	1st lieutenant	5	4,828.56	13,296.96	8,468.40	175
O-1	2d lieutenant	0	$3,969.00	$9,066.96	$5,097.96	128
E-7	Sergeant 1st class	20	3,985.20	11,499.45	7,514.25	189
E-6	Staff sergeant	15	3,367.80	9,926.25	6,558.45	195
E-5	Sergeant	10	2,926.80	8,601.45	5,674.65	194
E-4	Corporal	5	2,127.60	7,406.25	5,278.65	248
E-3	Private 1st class	1	1,686.60	6,131.85	4,445.25	264
E-2	Private	1	1,530.00	5,969.85	4,439.85	290
E-1	Recruit	0	1,440.00	5,548.65	4,108.65	285

[1] Military pay and allowances consist of basic pay and cash housing and subsistence allowances. The tax advantage on the nontaxable housing and subsistence allowances is not included in the above figures.

Note: Enlisted grades E-9 (sergeant major) and E-8 (master sergeant) were not included above because these grades were not established by law until 1958.

These greatly increased costs are also reflected in retirement costs which are computed on basic pay. Military retired pay was .88% of total defense outlays in FY54. It had risen to 2.68% in FY64 and is projected to be 6.21% in FY74, excluding legislative proposal for recomputation. The chart below gives present and projected cost data for the military retirement systems as presently constituted.

COST OF THE MILITARY RETIREMENT SYSTEM, FISCAL YEARS 1950–2000

[*In millions of dollars*]

Fiscal Year:	*Amount*
1950	195
1960	694
1970	2,849
1980	7,751
1990	14,419
2000	24,659

Note: Amounts prior to FY74 are DOD outlays for military retirement pay. Amounts for FY75 and beyond are projections based on a 5.5% annual increase in basic pay and a 2.4% increase in the Consumer Price Index. The projections assume no change in the present military retirement system and no one-time recomputation.

Before one views the foregoing cost figures with too much alarm, he should reflect for a moment how they came to be and what they mean.

The lower end of the cost spectrum on these charts is shown as the 1949–1950 era—which, it should be noted, represented the highest personnel cost figures, until that time, in the history of the country. These reflect years of benign neglect—when genteel poverty was a hallmark of the military careerist and when an artificial tax was levied on those in uniform through the military pay system. These lower costs also reflected our ability to get the enlisted manpower required through Selective Service.

The pay and allowances of the military were so far out of line with salaries in the civilian community that catching up required rather dramatic hikes over a sustained period.

Also reflected in these increased costs are those involved with moving to an all-volunteer effort to obtain our manpower. This required a most dramatic pay increase at the bottom of the grade structure. Coupled with this are the greatly increased costs of recruiting, advertising, enlistment and reenlistment bonuses and other incentives.

Because retirement costs are affected directly by the increases in basic pay, they could increase by a factor of six in the next quarter of a century. For this reason, modifications in the non-disability retirement system are being pursued actively at the present time.

Thus, we see how heavily the costs of manpower impact on our total defense effort. At the same time, it is clear that there is no panacea for this problem. We need to understand it, plan for it and make sure that we are giving maximum effort to the cost effective utilization of our manpower.

HOW DO WE GET THEM

The area of greatest urgency in the whole manpower picture concerns our methods of military manpower procurement. By political decision, we have been getting our military manpower exclusively from the all-volunteer effort since the draft was stopped in December of last year. This has not been without cost, both financially and otherwise.

Unless Congress takes almost immediate action, and it will be very difficult for them to move in time, the authority of the President to induct personnel under the Selective Service Act of 1967 will expire on 30 June 1973. Once this happens, our only source of military manpower is from pure volunteers. Thereafter, an act of Congress will be required before anyone can be drafted, no matter how great the emergency.

This comes at a time when we have already reduced our Armed Forces to a bare-bones baseline force. The civilian leadership of the Defense Department tell us that we need not be concerned since the services have been meeting their quotas of new enlistments and reenlistments solely by the volunteer system for the past few months.

There are a number of factors which have contributed to the meeting of the arbitrarily low all-volunteer goals. Not the least of these has been the disproportionate effort which the services have been required to make to meet these objectives. Other factors include:

1. Reduction in size of forces—Army cut in half (−766,000 since FY68.) (−55,000 since FY61—prewar) Smaller since FY48.

2. Greatly increased recruiting funding—Army funding for recruiting, advertising and examining alone has increased $78.2 million between FY72 thru FY74. Advertising has doubled, recruiting and examining are up 33%. Selection of recruiters materially uprated and numbers greatly increased.

3. There is no war or combat in progress. Nobody is getting shot at.

4. Dramatic increases in pay. (See chart on page 6)

5. DOD attitudinal surveys indicate a big improvement in attitudes among young people towards military service. Some of this is attributed to the opportunity for job satisfaction in a professional environment.

6. Options that services are able to offer (i.e., unit of choice, theater of choice, et al.) markedly improved. (Some of these are also limited in numbers of spaces available.)

7. Lessening of disciplinary regulations and "mickey mouse" harassments are perceived by young people as attractive changes.

8. Civilianization of KP and other work details.

9. Improved military housing and living conditions.

10. Greater in-service educational opportunities.

COSTS ASSOCIATED WITH THE ALL-VOLUNTEER FORCE

[In millions of dollars]

	Fiscal year— 1973	1974
November 1971 and subsequent pay increases	2,377	2,320
ROTC and health scholarships	42	73
Combat arms and nuclear enlisted bonus	48	68
Recruiting and advertising	146	221
Living quarters improvements	11	19
Education programs	22	53
Other initiatives	71	156
Special Pay Act		225
Total	2,717	3,135

The Department of Defense and the services are due the greatest credit for the truly gung-ho effort that they have put into the all-volunteer crusade. But we doubt that it can be sustained over an extended period, and if it cannot, the only courses of action left are to reduce the size of the Armed Forces which, these same leaders assure us, are already at irreducible minimums, or to reduce the quality standards. We believe this is too great a risk to take, and it is a needless one. It would cost not one cent to maintain the President's induction authority. Not one man need be inducted if the all-volunteer effort continues to bring the manpower needed. We don't think it will, even in the short-term future, without lowering the quality standards.

In citing the various factors involved in meeting the all-volunteer goals, we should state that it is our further belief that it takes almost all of them operating in concert to make the program as viable as it is at present.

Early indications point to a restiveness in Congress over defense costs. Since manpower is such a large segment of these costs, it seems reasonable that Congress will scrutinize closely the cost factors we have listed as contributory to the success of the volunteer effort. A diminution of them would impact unfavorably on the ability to fill the manpower requirements of the Armed Forces with volunteers.

The alternatives are serious—further reduction in the size of our forces and/or lowering the quality standards of the people we take in. For the sake of our country's defense, we do not believe we need be left with either or both of these as the only courses.

History gives us strong examples of the time-consuming difficulties we encounter in reestablishing the draft once it has lapsed. In the view of the Secretary and the Chief of Staff, the Army is now at a minimum level consistent with an adequate national defense. We cannot afford any further reductions.

It is our position, therefore, that we should continue the induction authority and at the same time support fully the volunteer programs. There is no cost connected with con-

tinuing the induction authority, but it is the only way to insure that the Selective Service system remains viable. If a serious manpower shortage develops in the Armed Forces and induction authority is extended, Presidential decision would still be required to draft anyone. A further compromise could be considered to give Congress a 30-day period of veto power over such a decision if that could contribute to the alleviation of some concern.

The other important segment of our manpower problem concerns the Reserve Components. As we have frequently pointed out, the assignment to the Reserve and the National Guard of important early-ready tasks in our defense planning was used as a basis for significant reductions in our active forces. At the present time, neither the Army National Guard nor the Army Reserve is meeting its manpower requirements. They are projected to be about 57,000 short by 30 June 1973. The continuation of the President's induction authority under the Selective Service would impact on these components only obliquely. What they urgently need is the passage of pending legislation which will provide them with a greater range of incentives to attract volunteers. Among these are provisions for an enlistment and reenlistment bonus ranging up to $2,200 for critical skills or $1,100 for non-critical skills.

Much is being done to support the Reserve Components—probably more than at any other time. But this and more is essential if we are to expect them to fulfill the truly significant roles they have been assigned. Continuing urgent efforts are required to adapt training times, sites and requirements so that they can accommodate the greatest number and encourage wider participation. More employers must be persuaded to support participation by their employees in the Reserve Components. In short, we must be alert to the elimination of all the factors we can correct that deter young men and women from joining our National Guard and Reserve.

Before leaving the subject of manpower procurement, we should emphasize again the essentiality of maintaining the quality standards of the people we take into the services. The problems we encounter with lower category people are insidious and infect the whole system not only in training difficulty, but in discipline, morale, elan and the whole range of intangibles on which pride and accomplishment are based. Thus far in the all-volunteer effort, the standards have been maintained, as this chart indicates.

But now, as the recruitment grows more difficult, we must not take the slippery downhill path of lowering standards to meet our numbers goal.

HOW DO WE USE THEM EFFECTIVELY?

The Department of Defense and the military services have a great obligation to manage their manpower resources in the most cost effective manner possible. Not only is manpower very costly, but it is the cutting edge of our defense structure. It is obvious that both the manpower programs that we have described and the utilization of our military manpower will undergo close scrutiny by the Congress, not only now, but in the future. We have alluded earlier to some of the actions which the Army has taken to streamline manpower operations and to reduce that administrative overhead which does not directly contribute to the combat effectiveness of its forces. The Secretary of the Army says it this way: "The Army's job now is to insure that this adequately paid force is as austere as we can make it and is still capable of executing the national strategy."

It will be some months before the full impact of the Army's recent reorganization and the allied closing of unneeded bases can be fully assessed. Similarly, overhead reductions by the other services are now ongoing, as are base closings, and these, too, will take time before we can gauge how much they contribute. But all of these represent aggressive actions that address the problem of improving cost effectiveness.

Another significant action which was put into effect last year was the civilianization of kitchen police and the substitution of civilians to do the essential menial housekeeping chores that have no direct bearing on military training or operations, but are essential to a viable training base.

The importance of making military personnel available for their military jobs cannot be overestimated. For example, in the very basic training units of the squad and platoon, the absence of members on non-training duties impacts equally heavily on those remaining who find it difficult to conduct meaningful training without the required members of the team. It is somewhat like trying to conduct football practice when the center and the quarterback are not available.

We have described earlier the Army's efforts to focus more heavily on combat versus support forces, and alluded to the progress that has been made. While we do not wish to digress into areas which would require separate and detailed examination, we cannot overlook the maintenance of proper discipline as an important adjunct to the cost effective use of military manpower.

We are disturbed by recommendations circulating which emanate from the report of the Task Force on the Administration of Military Justice in the Armed Forces. Some of its recommendations, in our judgment, adversely affect the commander's ability to maintain a properly functioning military organization. Its recommendations also reflect what we believe to be an overemphasis on racial tensions which again impact on the cost effective use of military manpower. Both in the Task Force Report just mentioned and in other areas as well, we believe that too much emphasis is put on race and that we should return to talking about equal opportunities, not special opportunities, and learn to distinguish between military discipline and racial discrimination. The amount of time, energy and training that is specifically allocated to race relations is, in our judgment, disproportionate to the problem—and many blacks agree.

The services have done a remarkable job in combating the use of drugs and alcohol. Yet we must continue our efforts to combat their use in the Armed Forces, which, while already substantially below the national average for the age groups involved, nevertheless contributes to the less than full use of the precious manpower available.

Similarly, if we are to maximize our cost effectiveness, the number of social welfare schemes, such as Project 100,000, Transition, et al., which are inflicted upon the Armed Forces have got to be reduced. Because of their tightly structured organization the Armed Forces do many of these projects very well, and hence become attractive targets for these worthwhile but strictly non-military activities. These should not be foisted off on the Armed Forces without providing additional personnel for the purpose so that the military training and missions of the Armed Forces are not compromised in our efforts to improve society.

If we are able to maintain the same level of quality of people that we are taking into the Armed Forces right now, most of the foregoing problems will not worsen. In fact, with the greater stability in assignments, we would expect that the commander's influence on the discipline, training and effectiveness of his unit will become increasingly apparent and the situation will improve. But we reiterate that if the Armed Forces are to be required to utilize their personnel to the maximum effectiveness, they must be given the tools with which to do the job well and be freed from non-military social welfare tasks.

CONCLUSION

In a paper of this length, it is not possible to do more than highlight some of the most significant aspects affecting how we obtain and utilize our manpower for national defense. It should be clear, however, in this brief report that there is a great sense of urgency and there are a number of problem areas requiring early and forceful solutions. The key points to remember are these:

The FY74 budget supporting 2.230,000 men in the Armed Forces, represents the minimum strength required for national defense without major changes in the international order and our national commitments.

An operating Selective Service system with Presidential induction authority is essential for an emergency and as a hedge against possible future inability to recruit the manpower needed.

Quality must not be sacrificed to insure meeting the numbers required for our military forces.

Reserve components need greater support to attain manpower and training goals. These are so basic to our defense requirements that more of our countrymen need to be aware of them.

AMBASSADOR JOHN SCALI'S ADDRESS ON RHODESIAN CHROME

Mr. HUMPHREY. Mr. President, I call to the Senate's attention the remarks made last night by our Ambassador to the United Nations, John A. Scali, concerning the U.S. violation of U.N. sanctions against Rhodesia.

Speaking to an audience of business and labor leaders, he stated that the United States was "in open violation of international law" and was undermining a Security Council decision it had strongly supported in the beginning and had recognized as "legally binding on the United States." He stated that this "damages America's image and reputation as a law-abiding nation," and also made note of the "net economic disadvantage" of importing from Rhodesia.

I appreciate the forthrightness and courage of the Ambassador in speaking out against this unwise policy. He is in a position to fully assess the impact our violation of sanctions is having on our relations with the other members of the world community. He has seen firsthand the serious damage that has been done to our reputation in the United Nations by this violation of international law.

We are now making an effort in both the House and the Senate to end this violation of sanctions. Ambassador Scali strongly supports us in this effort. I hope that those who take a very narrow view of this issue—who seek to limit it to a consideration of the profits of a few corporations or the price of Russian chrome—will take note of the Ambassador's concern over the grave consequences this policy has had for our position in the international community.

Mr. President, I ask unanimous consent that today's Washington Post report of Ambassador Scali's speech be printed in the RECORD.

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

U.S. IMPORTS OF RHODESIA CHROME VIOLATE WORLD LAW, SCALI SAYS

NEW YORK.—U.S. Ambassador to the United Nations John A. Scali acknowledged to an audience of businessmen and labor leaders last night that Washington was "in open violation of international law" in allowing the importation of Rhodesian chrome and nickel.

He said that he had invited Congress to reconsider the Byrd amendment to the Defense Appropriation act, which permitted the resumption of these imports despite the December 1966 U.N. Security Council resolution ordering an economic boycott of Rhodesia.

That council decision had been supported by the United States and was "legally binding on the United States," he said. "The evidence is mounting," he went on, "that this amendment not only damages America's image and reputation as a law-abiding nation, but that it has net economic disadvantages as well."

Earlier, at the United Nations, Scali praised Soviet moderation in the Security Council debate on the Middle East and held out the hope that U.S.-Soviet cooperation would lead to "lasting peace" there.

Speaking to the U.S. United Nations Association's annual dinner, Scali said: "If there is to be a lasting peace in the Middle East, it will be partly because of cooperation between the United States and the Soviet government in encouraging both sides to negotiate their differences."

GAO REPORT ON ECONOMIC ASPECTS OF SPACE SHUTTLE JUSTIFICATIONS

Mr. MOSS. Mr. President, there has now been an opportunity to review the General Accounting Office report issued last weekend entitled "Analysis of Cost Estimates for the Space Shuttle and Two Alternate Programs." The GAO has now devoted nearly a year of review to the economic aspects of Space Shuttle justifications prepared by the administration. Its first report was issued last June 2, 1972, and the second report is dated June 1, 1973.

The new GAO report focuses on a NASA fact sheet last revised on March 15, 1972, in which NASA attempted to summarize in 9 pages several thousands of pages of economic and technical studies of the Space Shuttle.

The main conclusion of the report is that "GAO is not convinced that the choice of a launch system should be based principally on cost comparisons." In recognizing the importance of considerations other than cost, the GAO conclusion is in accord with the position the Committee on Aeronautical and Space Sciences has taken in recommending to the Senate continuation of the Space Shuttle program; that is, that the fundamental reason for developing the Space Shuttle is the routine access to space and other new capabilities the Shuttle will provide and that "the case for the Space Shuttle does not rest solely on the ability to postulate operational cost benefits in the period of 1980 to 1990 (Senate Report 93–179, May 30, 1973, page 27)."

With the respect to the question of costs, the GAO report states that—

GAO is not certain that the Space Shuttle is economically justified even though NASA's calculations show that it is.

The report identifies nine areas as examples of uncertainty of cost estimates with respect to which NASA was unable to remove GAO's "reservations" regarding cost savings. Clearly, no one can remove all uncertainty about estimates of cost projected 15 or 20 years into the future, and it is appropriate for GAO and the committees of the Congress to retain a healthy skepticism about such estimates. Our review in the area of cost and benefit analysis shows that NASA's estimates, conservative to begin with, are holding up well under further study as design and development of the Shuttle proceeds.

The GAO report also presents the preliminary results of the most recent NASA analysis. These evolving studies point to considerable increases in potential cost benefits for the Shuttle.

The GAO report expresses a general feeling of uncertainty as to the cost of future space payloads and points out that it is not known precisely what space missions are to be flown in the 1980's and 1990's. Obviously, one could never lay out and freeze a decade or two in advance all the scientific, military, applications, and other missions that will turn out to be desired in the 1980's and 1990's. NASA has been proceeding through a detailed, continuing process of describing and analyzing alternate sets of space missions representing the kinds of programs which might be undertaken over the next 15 to 20 years. Those missions financed by Federal funds are subject to annual authorization and appropriation, and it is obvious that the administration would not propose and the Congress would not approve flight plans so far into the future.

The following matters are proposed by GAO for consideration by the Congress:

To enable the Congress to reach the most prudent decision on the funding of the Space Shuttle or the alternative expendables system, GAO recommends that the Congress consider the future space missions used in NASA's economic analysis of the Space Shuttle to determine whether these missions are a reasonable basis for space program planning at this time. In addition, GAO recommends that, as part of the NASA authorization and appropriation process, the Congress review the estimates for the Space Shuttle annually, giving due consideration to the appropriateness of the missions used in making those estimates.

If the Congress chooses to accept our recommendation that it review the proposed space missions and if significant revisions are made, it may be appropriate to direct NASA to reestimate the costs—particularly for payloads—for the Space Shuttle and expendable systems to see whether the relative merits of the alternatives might be significantly affected.

The Committee on Aeronautical and Space Sciences as part of its annual review of NASA programs, does consider Space Shuttle mission models as they evolve. The March 1973 revision of the 1971 NASA mission model appears on pages 81 through 140 of part 1 of the committee's hearings on S. 880. And the committee held a hearing on March 6 of this year specifically for the purpose of reviewing potential space activities in the mid-1980's. As pointed out in Senate Report No. 93–179, the committee intends to continue close review of all NASA programs including the Space Shuttle.

In summary, Mr. President, cost benefit analyses continue to support the decision made last year to develop the Space Shuttle. The latest GAO report has not found any substantial reasons for questioning the correctness of that decision.

For the information of Members of the Senate, I ask unanimous consent that the digest of the GAO report and press comments on the report be printed in the RECORD.

There being no objection, the digest and press comments were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS: ANALYSIS OF COST ESTIMATES FOR THE SPACE SHUTTLE AND TWO ALTERNATE PROGRAMS—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, B–173677

WHY THE REVIEW WAS MADE

On March 15, 1972, the National Aeronautics and Space Administration (NASA) said that its cost estimates indicated the Space Shuttle would cost about $5.2 billion less than an expendable alternative for performing the same mission. The General Accounting Office (GAO) refers to that alternative as the current expendable systems.

Senator Walter F. Mondale asked GAO to review the cost estimates for these two alternatives and a third alternative which GAO calls the new expendable systems.

On April 27, 1973, NASA provided GAO with new preliminary estimates based on further studies of Shuttle utilization; NASA stated that these estimates are within the same general annual budgetary requirements as its March 15, 1972, estimate. A comparison of the two estimates is shown below.

	Total program cost estimates	
	Mar. 15, 1972	Apr. 27, 1973
Number of flights planned	581	779
Cost (billions):		
Current expendable systems	$48.3	$66.2
Space Shuttle	43.1	50.2
Estimated savings	5.2	16.0

Reports prepared by NASA's contractor, the Aerospace Corporation, provided GAO with the information for the new expendable systems cost estimated at $45.7 billion for 581 flights. NASA did not include this estimate in its March 1972 estimates, and it did not make an estimate for the new expendables for 779 flights.

With the Senator's agreement, this report is being released to the Congress because of the widespread interest in the Space Shuttle.

Background

The Space Shuttle is a proposed space transportation system which, as planned, would be sent into orbit and return to earth to be reused on other flights.

For the most part, the expendable systems are existing systems which have been used on

other space missions. As a system they are not reusable, although some components of the systems can be recovered economically and used again.

The Space Shuttle is a manned space transportation vehicle; the expendable systems have limited capability in this regard. The orbiter portion of the Space Shuttle will have a crew of four who will fly it back to earth for an unpowered, airplane-like landing.

The Shuttle would be used to achieve various objectives for NASA, the Department of Defense, and others during the 1980s and later. The scientific equipment which the space vehicle carries to achieve these objectives is called the payload.

The Shuttle is to perform certain functions that the alternative expendable transportation systems cannot, e.g., retrieve payloads from orbit and bring them back to earth for repair, refurbishment, and reuse. This difference in payload concept makes economic comparisons complex and uncertain because the specific design and cost of payloads for each mission depends on the space transportation system available.

The March 1972 estimates cover the period to 1990; the April 1973 estimates cover the period to 1991. The March 1972 estimates are stated in 1971 dollars (i.e., at price levels prevailing in 1971), and the April 1973 estimates are stated in 1972 dollars.

FINDINGS AND CONCLUSIONS

GAO is not convinced that the choice of a launch system should be based principally on cost comparisons. GAO cites five other issues which it believes should be considered in the decision. These issues are:

1. Whether the space programs rank sufficiently high among national interests to justify the estimated commitment of about $8 billion to develop and procure the Space Shuttle. This depends on whether the United States will need and want to make substantial use of space in the years to come—not just to 1990 or 1991 but for the indefinite future. NASA believes that space activities are already recognized as essential continuing needs for both civil and military purposes, that the benefits of space will increase in the future, and that the Nation will continue to support space activities.

2. Whether the value of the new technology that might result from the Space Shuttle Program would justify its selection.

3. Whether the Space Shuttle offers unique capabilities and the kind of flexibility which the U.S. space program should have. NASA believes that it does have unique capabilities—such as the retrieval of unmanned satellites for refurbishment and reuse and the routine use of men in space to enhance scientific research, civil applications, and national security activities and to take advantage of as yet unforeseen opportunities in space—and that these valuable capabilities are one of the important justifications for the Space Shuttle.

On the other hand, if limited budget resources required an austere future space program, the current expendables may offer more flexibility for the most economical choices among fewer missions.

4. Whether the prestige the United States might get from development and use of the Shuttle would justify its selection.

5. Whether it is in the national interest to commit the Nation to extensive manned space flight when some think that manned flight is not necessary to achieve scientific objectives and when the space program could be adversely affected by public reaction if lives were lost. NASA's position is that, in addition to its other merits, the Space Shuttle offers the best way to insure a productive capability for manned space flight for the United States.

GAO is not certain that the Space Shuttle is economically justified (is less costly when the time value of money is considered), even though NASA's calculations show that it is. Although there is uncertainty in cost estimates for both Space Shuttle and expendable alternatives, GAO believes the degree of uncertainty for the Space Shuttle cost estimates is greater than for the expendable systems' estimates.

With these differences in the degree of uncertainty in launch system costs, GAO does not consider it prudent to place too much confidence in the projected cost savings. Technical problems and the cost overruns that usually follow such problems are more likely on the Shuttle and, if they occur, could turn the projected savings into increased costs by 1990. GAO's findings on nine cost issues involving the space transportation systems are shown on pages 13 to 23. GAO points out, however, that payloads, not launch systems, are the principal issue where costs are concerned and that there may be even greater uncertainty in the estimated costs of payloads.

The major element of cost in both total program cost estimates is the payload cost. The estimated cost of payloads in the April 1973 estimates were $30.2 billion for the Space Shuttle and $50.1 billion for the expendable systems, a difference of $19.9 billion. This difference is due to NASA's estimates of low-cost design which it believes can be incorporated into Space Shuttle payloads because many manned missions will be used and because payloads will be recovered, refurbished, and reused.

GAO further states that the type and number of payloads has a significant bearing on which alternative transportation system is the most economical. The basic difference in the two systems is that the Shuttle is reusable and the expendables are not. For this reason, the greater the number of flights, the greater the advantage to a reusable system, i.e., the Shuttle. The fewer the flights, the smaller the advantage of reusability and the more attractive the expendable systems become from a cost point of view.

Therefore, deciding not to fund some of the missions which NASA is considering in the 779-flight program could result in a different choice than would deciding to accept all of these missions. GAO points out that the Congress has not had an opportunity to review these missions in detail.

AGENCY ACTIONS AND UNRESOLVED ISSUES

NASA agrees that cost comparisons are not necessarily the best basis for deciding on whether to select the Shuttle or the expendable vehicles. However, it has chosen the Space Shuttle and steadfastly maintains that this alternative will be the least costly. NASA's comments are included as appendix III.

MATTERS FOR CONSIDERATION BY THE CONGRESS

To enable the Congress to reach the most prudent decision on the funding of the Space Shuttle or the alternative expendables system, GAO recommends that the Congress consider the future space missions used in NASA's economic analysis of the Space Shuttle to determine whether these missions are a reasonable basis for space program planning at this time. In addition, GAO recommends that, as part of the NASA authorization and appropriation process, the Congress review the estimates for the Space Shuttle annually, giving due consideration to the appropriateness of the missions used in making those estimates.

If the Congress choses to accept our recommendation that it review the proposed space missions and if significant revisions are made, it may be appropriate to direct NASA to reestimate the costs—particularly for payloads—for the Space Shuttle and expendable systems to see whether the relative merits of the alternatives might be significantly affected.

[From the Washington Post, June 5, 1973]

GAO FAULTS SHUTTLE COST ESTIMATES

(By Stuart Auerbach)

Congress' watchdog agency reported yesterday that the National Aeronautics and Space Administration had underestimated the cost of developing a space shuttle compared to using existing rockets.

But in a report made at the request of Sen. Walter F. Mondale (D-Minn.), the General Accounting Office agreed with NASA "that the choice of a launch system should not be based principally on cost considerations."

The space shuttle is NASA's major new project after Skylab and the joint U.S.-U.S.S.R. docking mission. In it, a spaceship would be lofted into orbit like a rocket, but it would return to earth like an airplane and be able to be sent up again. NASA envisions 779 flights in 12 years between 1978 and 1990 at an estimated cost of $50 billion.

NASA estimates it would cost $16 billion less to run the flights with the reusable space shuttle than with the present generation of rockets that are each good for just one flight.

Mondale, a persistent critic of the shuttle, challenged those figures and the GAO agreed.

"GAO is not certain," the report stated, "that the space shuttle is economically justified—is less costly when the time value of money is considered—even though NASA's calculations show that it is."

The report said that "uncertainties in the space shuttle cost estimates" will probably make it more expensive in the long run than existing rockets.

"With the differences in the degree of uncertainty in the launch system costs, GAO does not consider it prudent to place too much confidence in the projected cost savings."

Nevertheless, the GAO report did not oppose the shuttle program. It said that Congress needs to consider other issues that include the place of space in the national interest: the value of new technology from developing the shuttle; possible unique capabilities of the shuttle.

[From the Space Business Daily, June 6, 1973]

GAO RAISES ONLY INNUENDOS AGAINST SHUTTLE COST BENEFITS

AN ANALYSIS

After some eight months of evaluating the cost estimates for the Space Shuttle, the General Accounting Office has come up with a 67-page report (SPACE Daily, June 4, p. 187) which raises a series of nine questions about the efficacy of the estimates—all of which are answered by NASA—and concludes with the amorphous statement that, ". . . we are not certain whether the Space Shuttle will or will not produce costs savings."

WANTS DECISION ON "OTHER THAN ECONOMIC GROUNDS"

Unable to make a solid economic argument against the shuttle, as sought by the study's initiator, Sen. Walter Mondale (D-Minn.), the GAO asserted that its review "suggests that a congressional decision to continue the Space Shuttle program should be made on other than economic grounds."

Accordingly, the economic experts at GAO turned into politico-sociologists and averred that Congress should consider the following five issues before making a final decision on the shuttle:

(1) "Whether the space programs rank sufficiently high among national interests to

justify the estimated commitment of about $d billion to develop and procure the Space Shuttle. This depends on whether the United States will need and want to make substantial use of space in the years to come—not just to 1990 or 1991 but for the indefinite future. . ."

(2) "Whether the value of the new technology that might result from the Space Shuttle program would justify its selection."

(3) "Whether the Space Shuttle offers unique capability and the kind of flexibility which the space program should have" (e.g., retrieval and repair of spacecraft, enhanced utilization of and in space, etc.).

(4) "Whether the prestige the United States might get from development and use of the shuttle would justify its selection."

(5) "Whether it is in the national interest to commit the nation to extensive manned space flight when some think that manned flight is not necessary to achieve scientific objectives and when the space program would be adversely affected by public reaction if lives were lost."

URGES CONGRESS TO REVIEW MISSION MODEL

In addition, the GAO, while admitting that the justification for space missions were outside its field of competence, implied that NASA was overestimating the number of missions that would be flown on the Space Shuttle.

"So far as we can ascertain," GAO said, "the Congress has not had an opportunity to review these missions in detail. Does the Congress want to fund these missions in lieu of competing Federal programs? Does it believe that the results of the missions will be worth the cost? . . . To enable the Congress to reach the most prudent decision on the funding of the Space Shuttle or the alternative expendable systems, we recommend that the Congress consider the future space missions used in NASA's economic analysis of the Space Shuttle to determine whether these missions are a reasonable basis for space program planning at this time."

GAO further recommended that Congress review estimates for the shuttle annually as part of the NASA authorization and appropriations process, "giving due consideration to the appropriateness of the missions used in making those estimates."

If this is done "and if significant revisions are made," GAO concluded, "it may be appropriate to direct NASA to reestimate the costs—particularly for payloads—for the Space Shuttle and expendable systems to see whether the relative merits of the alternatives might be significantly affected." In this case, the GAO implied, it might be possible to cancel the shuttle program.

THE COST QUESTIONS RAISED BY GAO

The Accounting Office, pointing out that there are most uncertainties about cost associated with the yet-to-be-developed shuttle than with existing launchers, cited nine reservations it has about shuttle cost despite NASA's estimates.

Commenting on these nine areas, which are listed below, NASA administrator James Fletcher asserted:

"General doubts about cost will always exist in large novel systems; however, after a considerable amount of work, GAO has not found any evidence of substance to lend flesh to their doubts with respect to the shuttle; and they have been silent in regard to the large benefit-of-the-doubt that NASA gave to the alternative launchers so as to follow . . . a conservative approach to the economic justification of the shuttle. GAO's set of specific complaints about the various features of the shuttle cost estimates are, in our view, essentially baseless . . ."

(1) NUMBER OF ORBITERS NEEDED

GAO questioned whether five Orbiters would be enough to handle the projected missions. Citing vehicle losses on such programs as the F–111, X–15 and commercial airlines, GAO said "it is doubtful whether even six [Orbiter] vehicles would be sufficient." NASA comment: "Three Orbiters are adequate to perform the mission model." Moreover, two additional Orbiters have been provided to provide flexibility, and there is a contingency in the procurement estimates to procure another Orbiter without additional funds should a loss occur.

(2) COST ELEMENTS OVERLOOKED

GAO said it found four cost elements that either were overlooked or could have been estimated more carefully. The negative areas included failure to account for the Orbiter hydraulic system (cost: $2 million to $58 million), and for operations at two instead of one site (cost: $100 million). NASA comment: While GAO has identified two areas of "overlooked" costs which amount to between $102–158 million, it also identified $300 million of overlooked shuttle benefits which were not included by NASA.

(3) Drop Tank Costs. GAO said that because of "the unknowns in the development of the shuttle tank . . . considerable uncertainty as to the final costs will continue to exist," despite design steps by NASA to simplify the system. It said cost of the tank could be as much as 100 percent more than NASA's estimate. NASA comment: "The GAO contends, without any proof, that the cost per tank could be . . . as much as 100 percent over NASA's current estimate. We strongly disagree." Design of the tank "has been more extensively done than almost any other part of the shuttle," and as a result we find that drop tank costs quoted last year "are probably overstated."

(4) Contractor Engineering Costs. GAO charged that NASA failed to include contractor engineering support for the Orbiter during the operational period of the shuttle, support which "might run over $1 billion." NASA comment: "NASA has demonstrated to GAO that the shuttle estimates contain funding for engineering support in excess of historical experience on analogous systems."

(5) Reuse of Solids for New Expendables. GAO pointed out that NASA did not include the possibility of employing reusable solid rocket boosters for new expendable vehicles in comparing shuttle and expendable vehicle costs, a step which could save $400 million. NASA comment: The agency said this would be a valid point if new expendables were to be given further consideration, but said it does not consider new expendables a realistic alternative to the shuttle.

(6) Launch O&M Costs. GAO noted that NASA estimates the manpower required to launch the shuttle will be less than for the smaller, unmanned Titan III–C, which it called an "optimistic assumption." NASA comment: "NASA has provided detailed support and explanations for the derivation of the launch cost estimate."

(7) Indirect Range Support Costs. GAO questioned the lower indirect range support costs, e.g., range safety, projected for the shuttle in comparison to expendables. NASA suggested that a large part of the difference results from the fact that range safety will be handled by the crew of the shuttle.

(8) Reliability—Associated Costs. GAO said its initial findings suggest that NASA may have underestimated costs resulting from mission abort for the shuttle and overestimated them for expendables. NASA comment: The GAO's charge "contradicts experience. NASA's long experience with both manned and unmanned launch vehicles had fully demonstrated (that) reliability must be designed and built into the vehicle and cannot be attained merely by flying more and more vehicles." The Space Shuttle is designed with built in reliability, while the competitive expendable systems are not. To provide expendables with reliability even approaching that of the shuttle "would be expensive."

(9) Expendable Vehicle R&D Costs. GAO charged that there are uncertainties in NASA's estimates for R&D costs of new expendable vehicles, noting for example, that NASA has not made an exact estimate of the cost of developing the 12-man Big Gemini vehicle that would be used with expendables to carry men to a space station. NASA comment: "Although the GAO report recognizes NASA views on the new expendable family of launch vehicles, the impression remains that this launch system is a strong contender for the most effective space transportation system. It should be emphsized again that the new expendable was an economic screening benchmark favored with optimistic cost assumptions which did not win a competition with the shuttle. NASA did not pursue this alternative since it was apparent that more detailed study would lead to increased cost for an already noncompetitive option."

FATEFUL CONGRESSIONAL VOTES

Mr. THURMOND. Mr. President, the Greenville News of Greenville, S.C., recently carried a very sound editorial about the ramifications of the recent votes in the Senate and House to cut off all funds for military activity in Laos and Cambodia.

I concur with the assessment that this action, if initiated, could possibly have dire consequences for our foreign policy for years to come. I would like my colleagues to have the benefit of these thoughts.

Therefore, I ask unanimous consent that the editorial entitled "Fateful Congressional Votes," which appeared in the Greenville News, Sunday, June 3, 1973, be printed in the RECORD at the end of my remarks.

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

FATEFUL CONGRESSIONAL VOTES

U.S. Senate and House votes to cut off funds for all kinds of military activity in Cambodia and Laos are watershed actions having long-range effect upon American foreign policy as well as upon the powers of the President.

Even if the votes are not translated into law, they amount to congressional veto of President Nixon's bombing of Cambodia until a stable ceasefire is in effect there and elsewhere in Southeast Asia. They will have great effect upon forthcoming "final" ceasefire talks between America's Dr. Henry Kissinger and North Vietnam's Le Duc Tho. Kissinger's bargaining position has been undermined.

Therefore, the congressional votes amount to a kind of surrender in Southeast Asia, and a semi-repudiation by Congress of the Nixon policy of working for peace through strength. Essentially the anti-bombing vote is a signal to North Vietnam that it can do as it pleases in Laos, Cambodia, South Vietnam and later on in Thailand. It is a significant victory for the two giant Communist nations backing North Vietnam—the Soviet Union and China.

North Vietnam probably will control all or most of old Indochina, raising the question of whether the United States should curtail or end economic support of non-Communist governments in that region on grounds that to support them longer would be only to pour more money down the drain. If North Vietnam is to take over anyway, why not

leave it to them right now? That is the new $64 question concerning Southeast Asia.

The votes also tend to undermine the Nixon foreign policy in other areas of the world by raising the question—if America cannot or will not see things through, despite opposition, in Southeast Asia, will this country be any more effective when the crunch comes in the Middle East, or in Western Europe, or Latin America or anywhere else?

The pull-out decision also will have important bearing upon American-Soviet discussions on arms limitations and other security matters and the whole range of developing relations with Red China. Trade relations will be more difficult if the decision is interpreted as American weakness.

The eventual total effect of this watershed decision by Congress upon the place of the United States in the world really is incalculable. If other nations interpret the votes as proof that America has become withdrawn and largely ineffective in international difficulties, a power vacuum could be created which could lead to major confrontation, with the inherent danger of worldwide warfare.

It would have been much better for the House and Senate to have waited for the outcome of the Kissinger-Tho talks—but that is water over the dam. The question now is where do we go from here?

Obviously the President and Dr. Kissinger have much rethinking to do and many difficulties ahead to keep this country's foreign policy reasonably viable and to keep America really effective in the worldwide search for peace and stability. The Cambodia votes have complicated the global problem immensely.

Since Congress has taken a hand by repudiating a key element of the administration's foreign policy program, Congress now must take a larger share of responsibility for the results of foreign policy. That means a better working relationship has to be developed between the administration and congressional leaders.

A cooperative, bipartisan foreign policy will be difficult to achieve in this era of divisiveness. But the security of the United States and the ultimate safety of the people of this country demand that both Congress and the administration work together on that important task.

TIME FOR ECONOMIC ACTION

Mr. HUMPHREY. Mr. President, there seems to be no brake to inflation, except to "break" the budget of the average family in this country.

The Nixon administration stands paralyzed, unable to move boldly and decisively to correct the damaging economic conditions that plague the economy.

Key Presidential economic advisers continue to argue about economic theory and exhort the virtues of the marketplace. In the meantime the big corporations have a license to raise prices and make huge profits.

Proof of what I am saying can be found in the recently released wholesale prices index—that index jumped 2.1 percent in May or at an annual rate of 25.2 percent.

And, contrary to the argument presented by Council of Economic Advisers Chairman Herbert Stein when he appeared before my Consumer Economics Subcommittee, the inflation spiral has not decreased.

Dr. Stein argued that it is still possible to get inflation to the announced Nixon goal of 2 to 3 percent.

In fact, I wagered a dinner at the "best restaurant in Washington" that the inflation rate would not get to the administration's stated goal. At that time, I said to Dr. Stein that "this is one bet I hope to lose."

But, I do not think I am going to lose it—no matter how much I would like to buy Dr. Stein's dinner for him.

Here is why:

Consumer prices are increasing at an annual rate of 9.2 percent during the last 3 months.

General prices are climbing at the fastest rate in 22 years.

The average family grocery bill is now $208 above that of last year.

Four point four million Americans are still unemployed; 2 million Americans are forced to work part time.

Executive salaries are increasing an average of 13.5 percent last year, with some increases running as high as 200 percent.

Nevertheless, workers wages are held down, with the highest annual rate of large scale wage increases so far this year limited to about 7 percent and most contracts and salary increases held at or below the 5.5 percent level.

In fact, Mr. President, the distinguished Senator from Wisconsin (Mr. PROXMIRE) has recently held hearings on the inflated executive salary problem. Mr. PROXMIRE noted, for example, that the president of American Brands enjoyed an increase of over $100,000 in 1972—an increase of 43.7 percent while the wages of the average worker is held to 5.5 percent.

That is a double standard. It is almost as if there are two systems of laws—and under the Nixon economic policies that seems to be the case: one for their big business friends; the other for the working men and women of this country.

Mr. President, I ask unanimous consent that the opening statement of Senator PROXMIRE be printed in the RECORD.

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

PHASES II AND III WAGE PRICE CONTROLS

Tuesday, June 5, 1973.

Senator PROXMIRE. The subcommittee will come to order.

In August of 1971, the Administration suddenly shifted to a controlled economy, first, Phase I, and then a more or less general approach to the wage and price controls, Phase II, aimed at moderating inflationary pressures while searching for fuller utilization of manpower and other resources.

In my view, given the circumstances, Phase I was a success. Phase II was unsatisfactory but at least it was aimed in the right direction. But Phase II was dropped at the start of 1973 just when it might have proved its worth.

Mr. Director, yesterday at a Democratic caucus a proposal was adopted finding Phase III a total failure and calling for the enactment by the Congress of a more effective wage and price control system. As a first step in that direction, the caucus approved a ninety-day freeze on wages, prices, profits, consumer interest and rents.

Now as one of the authors of this proposal, I can tell you there is nothing that would please us more than to have you in the Administration steal our idea. We not only have no pride of authorship, we aren't stuck with any of the details—what we want is a more decisive, effective anti-inflation program; a program that will mean business—a program with bite and with teeth behind the bite.

It is my understanding you in the Administration have been considering a Phase IV, that the Administration had tentatively planned to announce it this weekend, that the announcement was postponed but could come at any time. I hope and pray this is true, because I see nothing to indicate that the Administration has taken any steps to get on top of this problem, and I see nothing in the economic statistics that suggests the inflation problem is coming to an early solution through natural causes.

We need action. The Country is calling for action. The Congress—both Parties are ready, willing, and eager to support action. I hope you will give it to us.

You were brought in as a professional to develop guidelines and an acceptable approach to the Phase III operations. You are the "Chief of Staff" for Phase III. I understand that—maybe I am wrong, and correct me when you make your remarks—you are one of the principal architects of Phase III. It is in this context I will welcome your testimony today.

Dr. Dunlop, today's discussion focuses on Executive Compensation and Corporate Disclosure Provisions in Phases II and III. To get down to specifics, I call your attention to some very spectacular increases. For example, Robert K. Heimann, President and Chairman of American Brands, enjoyed an increase of over $100,000 in 1972, while Phase II was in operation, while the guidelines of wages and salaries was 5.5 percent, an increase of 43.7 percent.

George Weyerhaeuser of Weyerhaeuser Company, the President, had an increase of 56 percent, to $305,000. Also, an increase in excess of $100,000.

Mr. Charles Sommer, Chairman of Monsanto, had an income of $273,000, an increase of almost 100 percent, or $100,000.

Mr. Richard Gerstenberg of General Motors enjoyed an increase of 107 percent, to $874,000, an increase of $400,000 in one year. An astonishing increase during a period of wage and price controls. And the guidelines had workers on the assembly line averaging around 5.5 or 6 percent.

John J. Riccardo, President of Chrysler Corporation, enjoyed an increase of 215 percent, to $551,000, an increase of $300,000.

Lynn Townsend enjoyed the biggest percentage increase of all, Chairman of the Board of Chrysler Corporation, an increase of 219 percent, an increase of about $35000, roughly calculated to $639,000.

These increases just seem, I think to almost anybody, to be shocking and grossly unfair.

I realize, and you have made it very clear, you make it clear in your statement, that there is no attempt to prevent any individual from getting a sharp increase, but the men who make the decisions for them to get this kind of increase and for the average increase for executive compensation, on the basis of the documentation I have seen—and maybe you can dispute this—is something like 13.5 percent, three times the guidelines. It just seems to be so conspicuously and grossly inequitable and unfair that I just do not understand how, under a control system that pulls down wages, this can be justified.

There are some people who seem to think the executive compensation issue is a relatively minor issue. I don't agree. If the top five or ten executives are not held at five or ten percent wage increases, the heart of the control mechanism is ineffective. One could

argue much more important consideration as profit control and I agree. But even this extremely vital consideration is being shunted aside. I understand the situation, the new Phase III regulations permit more profit to be realized than was the case in Phase II. I want to know what was the base used for the profitable rule, and has your group made any study of profits to justify the present treatment? If you don't get into this problem today, I hope you supply it for the record.

Some professionals have argued that big salary hikes are needed to insure productivity. It is hard to believe that. I remember when I was at Harvard Business School and you were one of the people I greatly admired, and one of the texts that we had was a study by Chester Barnard, the fine executive of the New Jersey Bell Telephone Company, who argued while compensation is important, it is far, far less important than many other elements that go into persuading people where they can be productive.

I think this is especially true with executive pride, the recognition of social obligations, social importance, that the recognition of their obligation to their colleagues and their friends and associates in the business, all of these things are likely to be far more profound, deep motivating forces, than compensation.

At any rate, it just seems very difficult to understand this kind of an immense increase in compensation which seems to run so deeply in the executive compensation sector.

Finally, on the question of corporate disclosure, I am equally ill at ease. I know you will say today you don't want to get into this issue at this moment. You will say public hearings are scheduled tomorrow and I am appearing to testify at that time, as is Senator Hathaway, the author of the measure in support of such disclosure.

But I want to tell you about the form you are now asking big corporations to report on, CLC2. I know your staff prepared a very tough reporting form and it went to the Office of Management and Budget. My staff tells me an imaginative advisory group met with OMB and somehow CLA Form 2, which was tough, was gutted and ended up with a pussy cat instead of a tiger.

With that, I would be delighted to hear from you, Dr. Dunlop. You go right ahead in your own way and Senator Hathaway and I will ask questions.

STATEMENT OF JOHN T. DUNLOP, DIRECTOR, COST OF LIVING COUNCIL, ACCOMPANIED BY HERBERT MESSER, DEPUTY DIRECTOR, CONTROLLED INDUSTRIES DIVISION, OFFICE OF WAGE STABILIZATION

Mr. DUNLOP. Mr. Chairman, it is a pleasure to appear again before you. That is a rather large menu of items you referred to.

I would rather, if I may, to start on the executive compensation matter and when I finish what I have to say there, you, Senator Hathaway, or others, may wish to ask about other matters and I will try to respond.

I have presented to the committee on time, Mr. Chairman, yesterday, a statement on executive compensation, but I would rather just speak, if I may, informally, without reading the statement, making three or four points.

(The complete prepared statement of Mr. Dunlop, above-referred to, follows:)

Mr. HUMPHREY. This administration seems to ritually go through periodic economic euphoria over figures, indicators, and statistics that would touch off bells of alarm for anyone else.

This has caused a lack of confidence in the economic policies of this administration—a lack of confidence matched only by the stubborn obstinence to move to correct our Nation's economic ills.

I believe that unless this Nation has an immediate freeze on prices, profits, dividends, consumer interest rates, and wages that inflation will roar out of control, the economy will tilt, and a recession could result.

I cannot understand why the Nixon administration refuses to act. I cannot understand why the Nixon administration is turning its back on the average working families of this country. I cannot understand why the pleas of the wage earners and salary earners of this Nation are falling on deaf ears at the White House.

Mr. President, two editorials, from the New York Times and the Washington Post sketch the effects of the recent wholesale index rise. Both these editorials suggest possible courses of action, similar to what I have proposed before—a freeze on prices, profits, dividends, consumer interest rates, and wages: then moving to a period of firm but fair controls.

I ask unanimous consent that these editorials along with articles on the wholesale price index be printed at this point in the RECORD.

I also ask unanimous consent to have printed in the RECORD my statement of May 23, as chairman of the Consumer Economics Subcommittee of the Joint Economic Committee.

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

CONGRESS OF THE UNITED STATES, JOINT ECONOMIC COMMITTEE, SUBCOMMITTEE ON CONSUMER ECONOMICS

OPENING STATEMENT OF SENATOR HUBERT H. HUMPHREY

MAY 23, 1973.

The most recent Gallup Poll indicates that the American public recognizes the high cost of living as the number one issue facing the nation.

Every wage earner knows it costs more to feed, clothe, and house his family.

And, despite rosy predictions from the Nixon Administration, every wage earner feels that conditions are going to get worse, not better.

The blunder of lifting Phase III controls has unleashed a burst of inflation, a boom in profits, a bust for the working families of this nation and a run on the dollar.

The Nixon Administration Stabilization program has failed to stabilize anything, with the singular exception of the working American's wages.

But, the failure of the Administration's economic program is broader than just prices and wages.

Across the board—from the price of gold, to balance of payments, to stock-market decline, to consumer confidence, to increasing interest rates—the economic policies of this administration spell disaster.

Let me outline chapter and verse of the Dark Days of Nixon Economic Policy.

(1) Yesterday, the Consumer Price Index showed prices advancing at a rate of 9.2 percent during the last three months, almost four times the Administration's stated inflation control goal.

The average family grocery bill is now $208 above that of last year.

The median price for a new home is up more than $3,500 over a year ago.

Lumber costs are up 30 percent.

Wool products are up 40 percent.

Petroleum products are up 20 percent.

Tires are up 10 percent.

Still, the American people are told by their government that Phase III is working. I agree. It is working against the American people.

(2) Unemployment is still a shocking 5 percent—with no prospect of getting back to full employment.

More than 4.4 million Americans are jobless.

More than 2 million Americans are forced to work part-time.

Hundreds of thousands of Americans are underemployed, and still more Americans are among the "hidden employed."

Yet, the Nixon Administration proposes to close down the Public Employment program and impose guidelines on social service programs that will force more Americans off payrolls and onto welfare rolls.

Since August of 1971, we have had freezes, phases, propaganda and promises. But we haven't had a program to stabilize prices and put Americans to work.

Full employment goals have been abandoned. And, like the general economy, the unemployed American worker has been cast adrift.

(3) The last year has been one of income retreat for the average working family. The average hourly earnings of blue collar workers—over 50 million workers—increased 5.4 percent—that is less than the wage standard established by the Pay Board. Prices increased over 6 percent.

Actual buying power for the average working family is less today than it was a year ago.

But the compensation of top corporate executives increased an average of 13.5 percent in 1972, and some corporate chiefs had salary increases of over 200 percent.

Yet, the productivity of the American worker increased 4.2 percent in 1972, and has continued upward this year.

That productivity is not translated into real gains for workers.

But it is translated into something else—the 4th day of darkness.

(4) . . . booming profits and soaring profit margins for the big corporations.

Corporate profits are skyrocketing. No Board, commission, or Cost of Living Council is holding them down.

Before-tax profits have jumped $11.6 billion in the first quarter, an adjusted annual rate of $113.1 billion. That translates into after-tax profits of $61 billion—a full 23 percent ahead of the first quarter of 1972.

For individual industries, it means, for example,

85 percent increase in the profits of the steel industry.

70 percent increase in the profits of the paper industry.

65 percent increase in profits for the building material industry.

45 percent increase in profits for the special machinery industry.

(5) The fifth part of the *Dark Days of Nixon Economic Policy* is the balance of payments deficit—up to $10.2 billion, $1.6 billion more than last quarter of 1972.

(6) Closely related to the balance of payments deficit is the sixth economic horror—dollar devaluation.

The dollar has been devalued two times since 1969. And each time, it has cost the American people.

The dollar today is worth 77 cents compared to base year of 1967.

After the 1971 devaluation, the trade deficits tripled from $2.6 billion to $6.8 billion.

And, a worsening trade deficit plus speculation on the dollar—heavy speculation against American dollars with the participation of American multinational companies acting against American economic interest—produced another devaluation in February of this year.

(7) . . . The run on gold. The price of

gold on the London Market is over $110 an ounce. The gold price today is approximately three times the official exchange rate—causing the worth of the dollar to skid to record lows.

And, today respected economists are publicly suggesting, and the daily fluctuating of the stockmarket is indicating, that the economic policies of the Nixon Administration are leading the American people toward another devaluation of their dollar.

(3) The eighth economic despair is the decline of the stockmarket—a Dow average of over 1,000 plummetted to the 800's, indicating investor uncertainty and uneasiness with the stabilization program.

(9) The ninth economic despair is high interest rates.

The nation is threatened by a credit crunch, tight monetary policy, and rising interest rates. The prime rate has increased to 7¼ percent, three month Treasury bills have increased, prime commercial paper has increased, finance and consumer credit rates have increased, and increases have occurred in business and residential mortgage loan rates.

Increasing interest rates add to cost and prices, and if past history is any guide, increasing interest rates will have an adverse effect on small and medium size businesses.

(10) The tenth economic day of despair is over $78 billion of deficit spending. More than one fourth of the total debt of the United States has been added since 1969. And each year since 1969, the budget has been presented to the Congress with a deficit—a deficit that reflected slack in the economy, causing revenue shortfalls and gross economic mismanagement.

(11) The eleventh economic day of despair is the most severe—the loss of consumer confidence in the economic policies of this Administration. This loss of confidence is reflected at all levels of our economy—in on-again/off-again controls, in the talk and non-talk about a tax increase, and in the spectre of a possible recession.

—Labor claims the economy is "utterly lopsided."

—Pierre Renfret, once the Nixon Administration's early "economic adviser" calls the present economic policies a "joke." And, he claims it is "one of the funniest economic games . . . played upon the American people."

Business Week says, "the Administration has lost its grip on the economy."

And, recent evidence from the Survey of Consumer Attitudes conducted by the Survey Research Center of the University of Michigan, reported on April 24:

"Rapidly rising food prices shattered consumer confidence and induced many people, with both high and low incomes, to become pessimistic. Because of the increase in living cost, the proportion of families saying that they are worse off than before and expecting to be worse off increased substantially. . . . Adverse news about inflation and the dollar have regenerated pessimism about the economy in general, among both high and low income families. Half of all respondents said that they expected unemployment to increase during the next 12 months, up from 24 percent in August to September, 1972." The American people are crying out for leadership. But the government seems paralyzed. . .

By a Watergate scandal that seems to have brought a halt to top policymaking

By economic advisers frozen in their philosophic approach to the cost of living problem

By the inability of the Administration to grasp the enormity of the economic failure it created.

Mr. Stein, Mr. Dunlop, what are your answers?

[From the New York Times, June 8, 1973]

WHOLESALE PRICES CONTINUE TO SHOW SHARP ADVANCE

(By Edwin L. Dale, Jr.)

WASHINGTON, June 7.—Wholesale prices continued to increase in May at the highest peacetime rate since World War II, the Labor Department reported today.

Both farm and industrial prices contributed in the rapid rise last month in this important indicator of inflation. Consumer prices will be affected later, though to an unknown degree.

President Nixon met with his Cabinet, and the inflation problem was one item on the agenda. But no actions or decisions were announced, and the White House said no action would be announced before next week.

The wholesale price index, which is something of a misnomer, measures the prices of thousands of products, from corn to chemicals, bought and sold in the economy before the stage of final purchase by the consumer.

HIGHLIGHTS IN INDEX

These were the highlights of the index for May:

The over-all index rose by 2.1 per cent, or 2 per cent after adjustment for seasonal changes in some prices—both extraordinarily larger increases for a single month.

The index was 133.5, with 1967 prices taken as 100. This was a rise of 12.9 per cent from May, 1972. In the last three months, the index has been rising at an annual rate of 23.4 per cent.

The index for farm products and processed foods and feeds was up 4.7 per cent, or 4.1 per cent after seasonal adjustment. This part of the index had dropped in April after earlier large increases. The price of farm products rose 6.1 per cent last month. The index was up by an extraordinary 39.4 per cent from a year earlier.

The combined index for farm products and processed foods and feeds has risen at an annual rate of 43.4 per cent in the last three months. There were increases last month in soybeans, grains, livestock, some vegetables, cotton and milk.

The key index of industrial commodity prices—less volatile than that for farm prices—was up 1.1 per cent, or 1.2 per cent after seasonal adjustment. In the last three months this index has been going up at an annual rate of 15.9 per cent, much the worse rate of inflation since the Korean war.

The rate of inflation is not only much higher than the Administration had wanted or expected, but the period of steep price increases has persisted longer than expected. Most Government economists had expected a better performance by now.

Herbert Stein, chairman of the President's Council of Economic Advisers, said the rise of industrial prices was at an "unsatisfactorily high rate." He added that the Administration's Cost of Living Council was investigating to see whether some of these increases had exceeded the guidelines established by Phase 3 of the wage and price control program. Rollbacks are possible if violations are found.

George Meany, president of the American Federation of Labor-Congress of Industrial Organizations, called the report "another clear indication of the utterly lopsided nature of the Administration's economic program, with only workers' wages under control while prices, profits and interest rates are soaring."

Senator William Proxmire, Democrat of Wisconsin, who is the author of a proposal approved earlier this week by the Senate Democratic caucus for a new price and wage freeze, said, "This country faces a grave inflationary crisis and it is time the President and his Administration acted."

He added that the Administration's "paralysis" in the face of the latest wholesale price increases "is impossible to understand, justify or defend."

There is no evidence that the President has under consideration proposals from any of his advisers for a new freeze. Some tightening of the largely non-mandatory Phase 3 program is a possibility.

Another proposal under active consideration is an increase in the Federal gasoline tax, aimed both at reducing gasoline consumption and cutting into total consumer purchasing power, with the added effect of reducing and probably eliminating the deficit in the budget. But this idea has already come under strong criticism in Congress.

In the case of industrial commodities last month's price increase was dominated by fuels, with petroleum products leading the way. Refined petroleum products are now on the average 24.8 per cent higher than a year ago, with the entire fuel index up 15.3 per cent. This is a reflection of the general energy shortage.

A wide variety of other items rose in price last month, including many metals, iron and steel scrap, lumber and wood products, textile and apparel, and various types of machinery.

PRICES UP 2 PERCENT IN MAY

(By Peter Milus)

Wholesale prices leaped ahead another 2 per cent in May, the Labor Department said yesterday, and President Nixon was reported to be sifting through a list of new alternatives for slowing down and cooling off the economy.

In the Senate, Democrats continued their calls for a 90-day, across-the-board wage-price freeze and their threat to legislate one if the President does not take action soon on his own.

Sen. Henry M. Jackson (D-Wash.) said that he will seek to add a freeze amendment to a federal financing bank bill next week, and Majority Leader Mike Mansfield (D-Mont.) predicted passage "if something isn't done downtown" before hand.

Freezes have failed of Senate passage twice before this year, but the last time by only two votes.

Wholesale prices have now risen at a 23.4 per cent annual rate over the last three months, and Jackson said they were threatening to put retail prices "into orbit." The rate of inflation, he said, has become "a national emergency."

At the White House, however, deputy press secretary Gerald L. Warren said no "economic statement" was "contemplated over the weekend."

While the President "considers inflation the No. 1 problem in the nation," Warren added, "He did not express any sense of crisis or urgency" in discussing the issue with the Cabinet yesterday morning.

Warren was seeking to knock down two almost contradictory sets of rumors about the attitude within the White House toward inflation in the last few weeks: One, that the administration is panicky, and the other, that it has been paralyzed by Watergate. "I don't want to build up for you the image of crisis," Warren said.

The President reportedly has not yet decided what new economic steps to take. Alternatives under review range from a demand-dampening tax increase to simply making Phase III of wage-price controls what one economist called "more visible."

One participant in yesterday's meeting said Mr. Nixon indicated to the Cabinet that he is opposed to a wage-price freeze, and is leaning instead toward some kind of revision of existing wage-price regulations.

The May increase of 2.0 per cent in the government's wholesale price index was after seasonal adjustment. It was twice the 1.0 per cent increase in April, and close to the

March figure of 2.3 per cent, the largest monthly increase in 22 years.

Two-thirds of the May increase came in farm and food prices. Almost half of the total was due to huge increases in feed grains, soybeans and other products fed to animals. The rise in animal feed prices will mean higher meat prices at retail in the months ahead.

Wholesale prices also increased sharply for the fourth month in a row in the non-agricultural sector of the economy.

These industrial commodities prices, which most economists consider the best test of true inflation, rose a seasonally adjusted 1.2 per cent. More than a fourth of that was due to rising fuel costs, and another fourth to big increases for lumber and metals.

The May increase lifted the wholesale price index to 133.5 meaning it cost $133.50 to buy goods that cost $100 in 1967.

Wholesale prices overall were 12.9 per cent higher than the year before. Most of that increase has occurred since last year's Phase II of controls gave way to Phase III in January. But the White House says that market forces are to blame for the last five months of inflation, and not Phase III's somewhat lighter regulations.

The administration says tight price controls are the wrong way to hold inflation down in a time of rising demand and economic boom like this. Its preference instead is for the more traditional means of bringing an economy back below the boiling point: a slowdown in government spending and the restriction of credit through a clampdown on the money supply.

Its problem is to use these instruments to bring about a slowdown without plunging the country into a new recession. Up to now, its view has been that present policies would bring about such a tapering-off—continued growth, but less inflation—by the end of the year. In the meantime, it has been pleading for patience, in particular by the big labor unions whose contracts are up this year.

So far, despite the rise in prices, the big unions have not gone much beyond the government's standard on pay raises, 5.5 per cent per year.

Yesterday, in one of the year's big labor settlements to date, General Electric and two unions representing 102,000 GE employees announced tentative agreement on a new contract that could raise average wages 88 cents an hour over three years. That would come to about 22 per cent, or roughly 7 per cent a year.

The wage increase will depend partly on inflation; the wage part of the pact includes a cost-of-living clause. No computation was available on the cost of the various new fringe benefits negotiated.

The contract is subject to ratification by the two unions, the International Union of Eletcrical Workers and the United Electrical Workers.

AFL–CIO President George Meany, in reaction to the price statistics yesterday, noted that "workers' buying power is already less than it was a year ago, and these higher wholesale prices will further squeeze their paychecks when they are translated into retail prices."

Meany's verbal adversary every time the government has published fresh statistics in the last six months, Herbert Stein, chairman of the Council of Economic Advisers, conceded that industrial prices had again increased at "an unsatisfactorily high rate" in May. In the agricultural sector, however, Stein noted that food prices at the supermarket end of the wholesale chain increased only 0.3 per cent for the month, the least since last September.

The rise in wholesale prices all across the farm and food sector of the economy was an adjusted 4.1 per cent in May. Those prices are now 29.1 per cent higher than they were a year ago, and have gone up at an annual rate of 43.4 per cent in the last three months.

Industrial commodities prices in May were 7.0 per cent higher than the year before, and went up at a 15.9 per cent annual rate in the March–May period.

The Labor Department divides industrial commodities into 13 categories. Prices rose in May in all but one: hides and leather.

Overall, wholesale prices of "consumer finished goods," those at the consumer end of the wholesale chain, rose 0.7 per cent in May, and were 10.7 per cent above the year before.

The administration has said that its goal is to have retail prices rising at an annual rate of only 2.5 per cent by the end of the year.

[From the New York Times, June 8, 1973]

TO HALT INFLATION

The latest report on wholesale prices—showing a 2.1 per cent jump in May, which is 25.2 per cent at an annual rate—is a devastating blow to the Administration's contention that inflation would slow down after April and that Phase 3 was working just fine.

Mr. Nixon's economic counsellors are locked in battle over what to do. Although clear-cut statements of what anybody wants are hard to come by, it is evident that there are basically two camps. One is the faction headed by Treasury Secretary Shultz and Chief Economic Adviser Stein, who cling to their flaccid Phase 3, insisting that price stability is just around the corner. The other is the faction headed by former Treasury Secretary Connally, Federal Reserve Chairman Burns and Mr. Nixon's new White House domestic chief, Melvin Laird, who want a much tougher and more interventionist anti-inflation policy. After sitting through a Cabinet-level debate yesterday, Mr. Nixon had his deputy press secretary reveal that the President would make no "major policy announcements" on the economy over the weekend but considers inflation "the No. 1 problem in the nation." Well he might, even considering his other problems.

It is not crying over spilled milk to note that development of an effective price-wage policy now will be a lot tougher than it would have been five months ago, before the Administration junked Phase 2 and uncorked the worst inflationary outburst since the start of the Korean War. Given the faster rise in prices—especially of food—than in wages, there would be serious inequities in setting a wage-price freeze of long duration. However, a relatively brief freeze, lasting no more than a couple of months, might have a major psychological effect in dramatizing the switch from wishful drifting to a genuine anti-inflation program.

A short freeze ought to be followed by adoption of realistic and flexible price and wage standards. These would have to be flexible to allow for some catch-up in the case of workers who have suffered real losses because prices have leaped ahead of their wages. Price standards would also have to be flexible to permit upward adjustments by companies hurt by cost increases—while requiring price reductions of those companies whose prices and profits have been skyrocketing. Such a policy will require careful analysis and strict enforcement of price and wage standards, including pre-notification of planned increases and full justification for them.

The most difficult and sensitive problem immediately facing the Administration is how to halt the rise in food prices. Putting food and feed prices into the quick freeze might not be the unmitigated disaster the Administration believes—especially if accompanied by strong efforts to increase food supplies. Freezing the price of feed grains might even help to increase meat supplies by improving the cost and profit position of cattle producers.

Real evidence that the Administration is prepared to take strong action—not merely use strong rhetoric—to halt inflation would be the most important single step needed to restore confidence in the American economy and the dollar, both at home and abroad. For Mr. Nixon, it is an immediate and crucial test of his capacity to govern.

[From the Washington Post, June 8, 1973]

THE PRICE SPIRAL

Inflation is spreading through the whole economy with a speed and force unexpected by even the pessimists. That much is clear from the wholesale price statistics for May. The scale of the danger is no longer in doubt. The only real question is what the administration intends to do about it.

To say that the present rate of price increase is intolerable puts the case rather mildly. Wholesale prices for all goods, taken together, rose 2 per cent last month. That amounts to an annual rate of 24 per cent. The wholesale price index over the past six months has risen four times as fast as it did in the six months preceding President Nixon's freeze in August 1971. The most spectacular part of the present trouble lies in the area of food and agricultural products. But industrial commodities alone have risen almost twice as fast in the past six months as in the six months before the 1971 freeze. If there was a case for action then, there is a far stronger case now.

The most striking difference between the present situation and 1971 is that over the past year wages have not contributed significantly to the inflation. But labor cannot be expected to exercise this kind of restraint much longer. It is perfectly apparent that business profits have benefited very sharply from the wave of price increases. In its efforts to correct this inequity, labor has no weapon but to increase the inflationary pressure by forcing higher pay scales.

The administration dropped Phase II and its controls in January. From February to March, the wholesale prices rose a shocking 2.3 per cent. The administration dismissed this misfortune as the transient effect of a bulge of pent-up raises that had been postponed until the end of the controls. But since then, the fluctuations in the price index have been wholly in farm products and food. Industrial prices have been moving with the steady speed of a freight train. Wholesale prices for industrial goods rose only 3.5 per cent in the year ending last January. Since then, in the absence of firm controls, they have been rising at an annual rate of 15 per cent. The rate of increase last month was the same as in midwinter. Farewell to the theory of the bulge.

The administration's alternatives grow more stark and unattractive with each passing month. It can either do nothing or it can go into a new period of controls of an unprecedented complexity and severity. We have already learned that there is no point in fiddling with minor adjustments in between. In March, the administration put the oil industry under a special set of price restrictions. But the wholesale prices of crude oil and petroleum products rose more than 4 per cent in the single month from April to May. At the end of March the administration put meat under special controls, and everyone knows what has happened there. In early May the administration increased the price notification requirements for large businesses, a refinement that seemed as ineffectual then as it does now.

A theoretical case can be made for doing nothing new in the way of controls. The classic method for cooling an inflation is to raise taxes. Although the phenomenon has

not been widely noticed, Federal taxes have indeed been raised substantially this year. It is not only a matter of the higher social security taxes, but the drastic effect of inflation on the graduated income tax. Federal revenues are up relative to outlays, and relative to spending power as well. Interest rates are also rising, and there are signs of a slackening in the present feverish pace of economic growth. But to rely wholly on this classic process to brake the inflation does not take adequate account of the present psychology. Businessmen are now raising prices precisely because they fear a future freeze.

The President's other choice is a short freeze on prices, followed by a comprehensive system of controls. This time it would not be a temporary affair. It would be clear that controls had become a permanent part of the national economy. The controllers would have a duty not only to review future price increases but past ones. It is perfectly obvious from present price and profit levels that there have been substantial violations of the Phase III rules, and the condign punishment for the violators is to have their prices rolled back. This next round of controls would also have to address itself to food prices. Controls do not adapt well to agricultural products, typically forcing shortages and black marketeering rather than stability. But the wholesale prices of farm products have risen at an annual rate of 47 per cent over the past six months and many of these prices, particularly in the feed grains, are being fed by unbridled speculation.

President Nixon has not offered much evidence in recent months of giving any great attention to the economy. He has now come to a point at which the country needs to know whether he has a program. If it appears that the White House is paralyzed by its preoccupation with the Watergate scandals, then Congress will feel an obligation to act. The most likely response from Congress is a bill enforcing a general price freeze. That kind of legislation came to a vote in the House two months ago, and was defeated. In the present circumstances, it is quite possible that it would pass. A legislated freeze is far less desirable than the flexibility and precision of a well-conceived control system. But if the President cannot act, it is very likely that Congress will proceed to meet an inflation that most of the country now perceives to be a grave peril.

FEDERAL BUDGETING

Mr. TAFT. Mr. President, the problem of putting some order into congressional budgeting is a priority that, in my opinion, can no longer be postponed. There is no single challenge that should have greater priority for this Congress or could do more to promote economic stability and confidence in our economic system than this single step.

On May 16, Mr. William H. Peterson, Senior Economic Adviser of the Department of Commerce, addressed the Cleveland City Club on this and on a number of other economic subjects.

I ask unanimous consent that his address be printed in the RECORD.

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

FEDERAL BUDGETING: "WE HAVE MET THE ENEMY AND THEY IS US"

(Remarks of William H. Peterson)

"Annual income twenty pounds, annual expenditures nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditures twenty pounds ought and six, result misery."

So philosophized the improvident Mr. Micawber in Dickens' *David Copperfield*.

The current trials and tribulations over the federal budget, over attempts to stretch expenditures far beyond income, to make two plus two somehow equal five or even six, might make Mr. Micawbers of us all if the 1974 budget ceiling put forward by President Nixon is seriously breached.

If there ever was a time for budgetary restraint, this is it.

Indeed, my theme today is that we witness in President Nixon's fiscal policy a great reversal of spending trends, a new fiscal conservatism, a renaissance of our federal system as conceived by our Founding Fathers, and a return to greater freedom for the individual American to make for himself the fundamental choices about what is best for him.

Whether this fiscal New Federalism holds for the long run of course remains to be seen. Much depends on how we use or abuse the vast fiscal-political apparatus of the federal government. Much depends on our faith in freedom and free enterprise, in the precepts of our Founding Fathers on checks and balances and limited government.

Plainly, ever since the New Deal, the limits on government have become unstuck, especially in the fiscal area. This is disquieting.

As Chairman Arthur F. Burns of the Federal Reserve Board put it in his commencement address at George Washington University last week:

"The American people have come to feel that their lives, their fortunes and their opportunities are increasingly beyond their control, and that they are in large part being shaped for them by their government."

As you know, the federal budget is probably the key planning instrument of our national government. In its tax and spending structure, the budget reflects our national philosophy and priorities, our goals and ambitions, our distinction in size, along with state and local budgets, between the public sector and the private sector.

The budget clearly sets forth the size of our federal establishment for all to see. It marks our governmental efficiencies and inefficiencies, the very tripartite structure of the federal government, our various levels of bureaucracies, quantifying them in importance in large measure by authorizations and appropriations.

The budget bears heavily on the cost of living, the competitiveness of the economy, the balance of international payments, the income levels of Americans and even the quality of life.

The budget reflects our struggles and frustrations. Sooner or later most of us, in or out of government, find that at least some of our ambitions are nipped in the budget—federal, state or local, corporate, union or family.

The budget reveals a key financial relationship of the federal system in the form of federal grants-in-aid to state and localities, which climbed from around $19 billion in 1968 to about $45 billion in 1973, more than doubling, but will hold at approximately that level in the proposed Nixon budget for fiscal 1974—a holding action virtually unprecedented in the last two decades.

The budget has long been something of an exercise in futility with forecasted expenditures almost always falling short of actual expenditures, and the expenditures ever taking a larger and larger bite of our national income.

The upshot is more of that other certainty of life, ascending taxation—open or, in the case of inflation, hidden.

No wonder that the latest Gallup poll shows that 65 percent of Americans feel they are already paying too much Federal income tax. Indeed, the average citizen works almost the first two days of the week for federal, state and local government and the remaining three and a fraction days for himself. Here are the figures:

In 1929 total government expenditures came to but about 10 percent of the dollar value of our national output, the gross national product. In 1940, reflecting the New Deal, the figure had gone up to 20 percent; in 1965, 30 percent; and in 1972, 35 percent.

Why 35 percent? Is there a rationale for so high a number? A learned PhD dissertation perhaps? Was it planned?

No, like Topsy, government just growed—far and away the greatest growth industry of our era.

Certainly a figure any higher could push us further away from a free society, apart from further distorting resource allocation throughout our economy.

Certainly the $268 billion ceiling put *forth* in the 1974 Nixon budget is strategic. That ceiling is the issue. If this ceiling is breached, it spells further inflation or a tax increase, although to my knowledge no Congressman or Senator ran on a tax increase platform last fall.

Certainly President Nixon has proposed a responsible budget that holds spending to a level which seeks to avoid a tax increase or a new round of inflation. Already the President has vetoed two spending bills—one on rehabilitation and the other on rural sewers—that would have seriously violated the budget ceiling. To its credit, Congress sustained both vetoes.

So let us put President Nixon's budget into the perspective of fiscal trends and factors of federal, state and local government. Through this perspective we should begin to see the emergence of the New Federalism, and the fiscal forest along with the tax brambles and the spending trees.

Brambles are many in budgeting. For the economist one bramble is to achieve growth without inflation.

For the legislator, from town alderman to U.S. senator, one bramble is to resist the temptation to vote for the appropriation bill and vote down the tax bill—the eternal dilemma of somehow having your cake and eating it too. Another bramble is to resist the temptation of bringing home the other fellow's bacon, of viewing the budget as a pork barrel or a free lunch.

For the President the big budgetary bramble is to provide necessary and efficient federal services while keeping our economy open, dynamic and expanding and at the same time holding down the rate of inflation.

In the face of some formidable opposition, this Presidential problem is here and now—spending more than a quarter of a trillion dollars to finance the federal establishment while applying fiscal restraint to arrest inflation is no easy trick.

The year 1973, then, is a bridge period. On the one side, we witness the Phase I–Phase II aftermath of the inflationary and destabilizing consequences of intially underfinancing the Vietnam War and the Great Society budgets—of underfunding both "guns and butter." On the other side, we look forward to a free and prosperous economy without war, without inflation and without controls.

Hence two key instances of bridging action are budgetary restraint and Phase III. Maybe the voluntary nature of Phase III was overstressed at the original announcement. If so, we should note again the President's observation that there is a big stick in the closet, that the stick was used on lumber and oil pricing and on the tentative settlement between North Central Airlines and the International Association of Machinists. that construction, medicine and food are contin-

ued under Phase II regulations, that on March 29 the Cost of Living Council imposed ceilings on the price of beef, pork and lamb and that on May 2 it reimposed price prenotification requirements on large firms.

Even with all this, there are those who say it is not enough—inflation must not be just controlled; it must be rolled back. The irony of this situation is that the roll-backers are very frequently those who seek to breach the budget ceiling, to accelerate the very federal spending that pushes up prices, that undermine the purchasing power of the dollar.

In fact, last month the House of Representatives attempted to roll back most prices and interest rates prevailing January 10, the March 16. To be sure, his was less drastic than the House Banking Committee's approval of an earlier measure that would have more rigidly rolled back and frozen all prices and interest rates prevailing January 10, the last day of the Phase II controls.

Maybe those who voted for the latest roll-back were pikers. Herbert Stein, chairman of the President's Council of Economic Advisers, proposed in the *New York Times* that prices be rolled back to the year 4004 BC, when God created the universe and all prices were zero in the Garden of Eden.

Elysium aside, history relates that inflation has dogged us since sovereign governments have learned how to spend more than they take in, how to produce money faster than man is able to produce goods—thereby generating too much demand, too little supply, too much money chasing too few goods.

Spending trends are thus of interest to our budgetary perspective.

Consider that federal expenditures advanced from 1965 to 1969 by 11.7 percent annually but from 1970 to 1974 by 8.1 percent, evidencing a spending slowdown and reversal of trend.

Consider: Where is the big spending action at the federal level or at the state and local level? To be sure, federal spending, including grants-in-aid, is some $85 billion greater than total state and local spending but the gap is closing. Note that in the last decade, 1962–1972, federal purchases of goods and services rose by an average annual compound rate of 5.2 percent, a fairly steep rate; but over the same period state and local purchases rose at a rate of 10.7 percent, or more than twice as much.

The comparison is more striking still when you compare federal civilian employment with state and local employment. The number of federal employees grew at an average annual compound rate of 1.1 percent from 1962–1972, but the number of state and local employees grew about four and a half times faster over the same period or 5.0 percent. Today federal employment is about 2½ million, state and local about 11 million.

As a matter of fact, President Nixon has actually reversed the tide of federal civilian employment, as he has slowed down the growth of federal spending. In January 1969 when he took office there were 2.6 million full-time permanent civilian employees of the federal government. By fiscal 1974 the number of federal civilian employees is anticipated at 2.4 million.

The drop in military personnel is much more dramatic. It stood at 3.5 million in 1968 but is being reduced toward the targeted area of 2.2 million in the year beginning July 1, a drop of 37 percent.

The fiscal catch in this drop and in other employment comparisons is that average military pay and related benefits next year are almost double the 1968 average. In other words, because of inflation and incentive pay made necessary by our conversion to voluntary armed forces, the same $1 billion which would have provided pay and allowances for 181,000 members of the armed forces and 1968 rates now provides for only 100,000 at 1974 rates in our voluntary army.

The ending of the draft is but one more example of the great reversal—a return to voluntarism.

But critics of the 1974 Administrative budget still charge that too high a priority is given to defense at the expense of meeting human needs.

The fact is that defense outlays for 1974 are virtually no higher than they were in 1968. But since then the total budget has grown by half and non-defense outlays have almost doubled. Indeed, when adjusted for pay and price advances, defense outlays in 1974 will be little different from 1973 and around one-third under 1968.

On the other hand, outlays for federal programs on human resources will have more than doubled between 1968 and 1974, and are now almost $50 billion higher than defense outlays. Or to put it differently, defense takes 30 percent out of the proposed 1974 budget while human resources takes 47 percent; in 1968, in contrast, spending on defense exceeded spending on human resources by practically the very same relationship.

Again, bearing on the emerging New Federalism, Washington is no longer pulling power inexorably toward the central government. Instead the power to make many major decisions and to go far in meeting local needs is being sent back where it ought to be—at the state and local level.

Thanks to General Revenue Sharing and the proposed Special Revenue Sharing programs in the Administration budget, our state and local governments can now better fulfill their role as envisioned by our Founding Fathers as partners with, rather than subordinates of, the federal government.

Last October President Nixon signed General Revenue Sharing into law. States and localities were thereby assured of more than $30 billion over a 5-year period starting January 1, 1972.

To augment this great reversal of power from Washington back to our grass roots, President Nixon is now asking Congress for approval of Special Revenue Sharing programs in the 1974 budget amounting to some $7 billion for four broad purpose Special Revenue Sharing programs. These programs are proposed in the areas of education, manpower training, urban community development, and law enforcement and criminal justice. These four programs will replace 70 outmoded, narrower, categorical grant programs and will practically wipe out matching requirements and much of the need for a proliferating breed known as the grantsmen.

One big budgetary bramble is the question of Congressional budgetary procedures—the President proposing, the Congress disposing.

While Congress now seems to be coming to grips with the fiscal problem, reform of the budgetary process seems long overdue. A half century has passed since the current federal budget system was adopted in 1921, and the complexity of the system has multiplied.

For one thing, Congressional budgeting is dichotomized. On the one hand, one group of legislators—the House Ways and Means Committee and the Senate Finance Committee—determines tax policy. On the other hand, another group—the appropriations committees in both Houses—determines expenditure policy.

Indeed, some 300 congressional committees and subcommittees get in on the budgetary process directly or indirectly, and for each of them there is a natural tendency to consider any given bill in isolation or as an add-on—that is, outside the context of overall public policy and quite apart from any overall spending ceiling constraint.

Hence, each committee and subcommittee acts pretty much independently of each other. There is no technique to make sure that if one committee or subcommittee spends more, another spends less. Expenditure coordination with available revenues becomes thereby practically impossible. A targeted budget gets to be hit-and-miss, with mostly misses on the deficit side.

The legislator is left in the predicament of voting for or against cleaner air, for or against purer water, for or against better schools, for or against safer streets, and so on, but without any overriding system of priorities—without a fiscal discipline.

The result is that by the end of the session the budget almost always gets out of hand and out of balance. With the exception of 1969, every budget since 1960 has been out of balance and in deficit, sometimes on purpose but most times inadvertently.

In this dilemma, our federal government—and every other central government—is unique. States and localities—and businesses and households—have each somehow had to put a check on spending before the checks begin to bounce. But Congress and the rest of the federal government have generally found that it has an especially friendly banker in the Federal Reserve. Treasury bills, notes and bonds are guaranteed a market. Treasury checks are just never bounced back to the sender, embarassingly stamped "Insufficient Funds."

The process is easy, like rolling off a log. The catch is debt is monetized—the printing press rolls. With, again, the upshot of "too much money chasing too few goods."

Congressman George Mahon, chairman of the House Appropriations Committee, recognized this problem in his article on budgetary procedures in *Nation's Business* last year. As the Congressman put it:

"Who is to blame for this distressing record? The President? The Congress? The American people? I think nearly all of us are. Large segments of the population tend to demand more and more government services, and at the same time there is a demand for lower taxes."

Maybe Pogo put it more plainly: "We have met the enemy, and they is us."

Maybe our Congress can achieve a greater fiscal discipline by noting what the states are doing. By and large the states grant much more budget authority to the governor than Congress grants to the President. A large number of states authorize the item veto, for example, and due to the shorter legislative session the pocket veto becomes a more effective budgetary tool. Again, quite a few states restrict legislators from increasing expenditures beyond the ceiling provided in the budget unless the legislature also lays out a new source of revenue.

In addition, virtually every governor annually impounds funds in one degree or another.

So let me reiterate and then augment my opening point:

If there ever was a time for budget restraint—and reform—this is it. The barrel has run out of pork; the lunch is anything but free.

IS GENOCIDE INTERNATIONAL OR DOMESTIC?

Mr. PROXMIRE. Mr. President, the argument has been made that the Senate should not ratify the Genocide Convention, since genocide is purely a domestic affair and not subject to international regulation. Opponents of the convention do not think it proper to guarantee human rights by treaty.

This argument is incorrect. The best

example we have of genocide, the action of Nazi Germany during World War II, is quite international in scope. The actions occurred from France to the heartland of Russia, from Norway to Greece. And they occurred in the midst of the most international war that the world has ever seen. Clearly, therefore, genocide is a proper concern for international remedies, such as treaties.

There is precedent for our ratifying the Genocide Convention. The United States is a party to several human rights conventions, one of which is the Supplementary Convention on the Abolition of Slavery. If we can be a party to a treaty which is designed to prevent the crime of slavery, then surely we can be a party to a treaty which is designed to prevent the far worse crime of mass murder.

Treaties should state their signatories' willingness to adhere to a set of principles governing their actions. Certainly we have advanced far enough as civilized nations to affirm the principle that we oppose genocide. Certainly we should proclaim this opposition to the world.

Mr. President, the Senate should ratify the Genocide Convention as quickly as possible.

THE SYNAGOGUE COUNCIL OF AMERICA SUPPORTS CONCERN OF PRESIDENT NIXON FOR SOVIET JEWRY

Mr. GURNEY. Mr. President, the Synagogue Council of America, which is the central coordinating agency for the major national synagogal and rabbinic organizations have issued a statement in support of the freedom of emigration amendment to the Trade Reform Act of 1973, which 76 of us in this body and 280 Members of the House of Representatives have sponsored.

The statement supports that amendment as well as President Nixon's efforts to achieve détente, coupled with his expression of concern for the plight of Soviet Jews. I commend this statement groups, in particular, Jews, going back unanimous consent that the text of it be printed in the RECORD.

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

STATEMENT OF THE SYNAGOGUE COUNCIL OF AMERICA

The Synagogue Council of America and its constituent agencies express their profound gratitude for President Nixon's expression of concern for the plight of Soviet Jews and his pledge of continuing efforts on their behalf which he communicated in a meeting with Jewish community representatives on April 19. We were particularly gratified to learn from the President that Soviet leadership had communicated to him their decision to waive the education tax on would-be emigrants.

We are convinced that the Freedom of Emigration Amendment to the Trade Reform Act of 1973, sponsored by Senator Henry M. Jackson and 75 Senators, and by Representatives Mills and Vanik and 278 Congressmen has been the major factor in strengthening the President's hand on behalf of Soviet Jewry. We therefore reaffirm our unwavering support of efforts to enact this Amendment.

We support the President's efforts to achieve detente between the great powers. We are deeply committed to the reduction of tensions among nations and to the enlargement of trade and other forms of communication. At the same time, we believe that progress in these areas will be neither real nor lasting if we acquiese in the suppression of fundamental human rights. In expressing concern for Soviet Jews within the context of our developing relations with the Soviet Union, our country is not pursuing a limited and special interest, but is acting in accordance with the very best of its historical traditions, which always reflected a sensitivity to the freedom and human rights of all people.

While we are encouraged that the Soviet authorities are not presently enforcing the education tax, we are concerned that there have been abrupt reversals in liberalized Soviet emigration practices during the past year. We are further concerned that the education tax is but one of a cluster of obstacles by which the Soviet Union presently limits the right and opportunity to emigrate. Though they have suspended the education tax, the Soviet authorities persist in harassing and imprisoning individuals who apply for exit visas. More than 100,000 applicants for exit visas have not received them, and as a penalty for applying, many have been fired from jobs, evicted from dwellings, denied pension rights and even imprisoned. It is this unabated harassment of would-be migrants that remains the reality of Soviet emigration policy. It is to the amelioration of this reality that the Jackson Amendment and the Mills-Vanik Bill are addressed.

We therefore express our continuing support of the enterprise that Senator Jackson and Representatives Mills and Vanik have undertaken on behalf of human dignity.

DR. WILLIAM KOREY SPEAKS ON U.S. CONCERN ON SOVIET JEWRY

Mr. GURNEY. Mr. President, last month, Dr. William Korey spoke here in Washington at the Shoreham Hotel at the 14th Annual Policy Conference of the American Israel Public Affairs Committee.

The text of his address sets out better than perhaps any other statement I have seen, the history over U.S. concern in the area of Russian treatment of minority groups, in particular, Jews, going back to the presidency of Ulysses S. Grant in 1869. It also contains an excellent discussion concerning the right of emigration as a matter of international law. I commend it on both points to the attention of my colleagues and I ask unanimous consent that the text of Dr. Korey's address be printed in the RECORD.

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

REMARKS BY DR. WILLIAM KOREY, DIRECTOR, B'NAI B'RITH UNITED NATIONS OFFICE AT THE 14TH ANNUAL POLICY CONFERENCE, AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE

I want to address myself to two principle subjects as a backdrop to the whole question of the Jackson-Mills-Vanik legislation: the matter of international morality and law as they bear upon the subject of the right to leave and the obligations assumed by the Soviet Union with reference to that morality and that law; and secondly, the matter of American tradition with regard to Russian Jewry over the course of many years.

Among the most fundamental of human rights is the right to leave any country. It has occupied a central place on the agenda of international morality and international law ever since nearly the beginning of time. Socrates talked about the right to leave a country as an attribute of personal liberty. The Magna Charta referred to the right to leave as a part of natural law. The Constitution of France of 1791 incorporated the right to leave. An act of the Congress of the United States in 1868 made the right to leave an indispensible ingredient for the exercise of all other rights.

A major three-year study, culminating in 1963, by the distinguished Philippine jurist Jose Ingles—perhaps the most important study ever produced by the United Nations—made the right to leave a precedent for all other rights. Judge Ingles made the very critical point that for a man being persecuted, denial of the right to leave is tantamount to total deprivation of liberty if not life itself.

This study by Ingles had the right to leave as so important that he would have put no restriction on it other than the requirements of morality, public order and general welfare.

A recent expression of international morality on the subject of the right to leave was presented at an international conference last June. This conference, at the University of Uppsala, was comprised of some 70 distinguished international legal figures from over 20 countries and Rene Cassin, the Nobel laureate, was the prime moving force.

The declaration adopted at the conference elaborated upon the right to leave by specifying that there shall be no restrictions, no reprisals, no sanctions, no penalties, no harassments for the exercise of the right to leave, and no special fees, taxes or similar devices for inhibiting that right. It is impressive to note that at approximately the same time as the Uppsala declaration, a moving force in the Soviet Union's Committee on Human Rights, the distinguished academician and physicist Andrei Sakharov, released a memorandum that he had written 15 months earlier to Brezhnev, in which he called specifically for the abolition of all limitations upon the exercise of the right to leave.

Existing international law on the right to leave conforms to international morality. The Universal Declaration on Human Rights—regarded by international lawyers as the authoritative interpretation and extension of the UN Charter—in Article 13, Paragraph 2, calls for the right of everyone to leave any country, including his own. It is impressive to note that a declaration sponsored by the Soviet Union, the Declaration on Colonialism, which was adopted by the United Nations in 1960, calls upon all states to observe faithfully and strictly all the provisions of the Universal Declaration on Human Rights and, therefore, Article 13, Paragraph 2 as well.

The International Convention on Racial Discrimination, adopted unanimously by the General Assembly in December 1965, specifies in Article 5, Paragraph 4, Subsection 2, that contracting parties obligate themselves to respect the right of anyone to leave any country. Article 12 of the International Covenant on Civil and Political Rights, which was adopted unanimously by the UN General Assembly in December 1966, called for the right of anyone to leave any country.

On March 26 of this year, the Commission on Human Rights, meeting in Geneva, by a vote of 25 to 0 strongly endorsed the Ingles study and called upon all governments to bear in mind the provisions of Article 13 of the Universal Declaration on Human Rights.

The Soviet Union considers itself an adherent of the Universal Declaration on Human Rights. In January 1969, it ratified the International Convention on Racial Discrimination, thus making it binding law within the Soviet Union. It has signed the International Covenant on Civil and Political

Rights. And in submitting documentation to Judge Ingles at the United Nations in February 1963, the Soviet Union specified only three grounds on which an application for an exit visa would be rejected: If a person has been charged with an offense and judgment is yet pending; if a person has been convicted and is serving a court-imposed sentence; and if a person has yet to discharge his obligation of service in the army or navy.

In 1959, the Soviet Union signed a formal exchange with the United States—the Gromyko-Nixon exchange—in which both governments obligated themselves to the principle of reunion of families. And the Soviet Union has gone beyond this in implementing the principle of reunion of entire ethnic groups. When Spaniards who were living in the Soviet Union since the 1930's and were citizens of the Soviet Union requested to return to Spain in the late 1950's, almost all of them were permitted to return and a major Soviet journal at the time, *Literaturnaya Gazetta*, wished them well in this return. On the basis of agreements between Poland and the Soviet Union in the late 1940's, some 200,000 Poles, many of whom had become Soviet citizens, were permitted to return to Poland. Greeks who had been living in Russia since the fourth century B.C., since the time of Alexander the Great, have returned to Greece. Mongolians have returned to Mongolia, Koreans to Korea, Germans to West Germany.

The Soviet Union has also advocated the reverse side of the coin. Ever since 1946 the Soviet government has engaged in a major effort throughout the world, urging Armenians to return home to Soviet Armenia—a kind of Armenian Zionism—and some 200,000 Armenians from the United States, Europe, Canada, and North Africa have returned to Soviet Armenia. Since 1955 the Soviet Union has been encouraging Russians, Byelorussians, Georgians and Ukrainians who left after the revolution to return to the Soviet motherland.

Yet, as we know, until the last year or two these obligations have not been fulfilled with regard to Jews.

Does the United States have a stake in this matter? What is our tradition?

Jackson-Mills-Vanik is deeply rooted in the American tradition, which has displayed a continuing concern for oppressed minorities abroad.

All too often Jackson-Mills-Vanik is treated as if it is *de novo* and *sui generis*, that it has suddenly appeared on the scene, that it is somehow alien to American tradition and American policy.

As early as 1869, President Ulysses S. Grant, upon hearing from American Jewish petitioners of a contemplated expulsion of 20,000 Jews from an area of southwestern Russia, intervened with the czarist authorities. If that expulsion was halted, one chronicler of the episode notes, it was a consequence of American concern.

At least ten American Presidents, from Grant to Richard M. Nixon, have intervened directly or indirectly on behalf of Russian Jewry in the past 100 years. A prominent Secretary of State, James Blaine, formally justified diplomatic intervention in the internal concerns of a foreign country on grounds that "the domestic policy of a state toward its own subjects may be at variance with the larger principles of humanity."

Humanitarian intervention on behalf of persecuted Irish and Armenians as well as Jews remained a distinctive feature of the American diplomatic landscape during the nineteenth and early twentieth centuries.

Frequently the Congress has acted as a spur to Administration action. In 1879, for example, the House of Representatives adopted a resolution which criticized a czarist policy that refused the Jews the right to own real estate. The measure was introduced by Samuel Cox—who, like Charles Vanik, was a congressman from Ohio.

The following year Cox inserted into the Congressional Record a letter from a Russian Jew—the first, but not the last to appear in the Record—which opened as follows: "In this hour of all but hopeless misery, groanning under the yoke of a cruel and heartless despotism, we turn to the West."

In 1883 a House resolution called upon the Administration to exercise its influence with the government of Russia to stay the spirit of discrimination and persecution as directed against the Jews.

A decade later, in 1892, the House of Representatives refused to allocate funds for food transport to Russia on grounds, in the words of Tennessee Congressman Josiah Patterson, that the czarist regime, by its treatment of Jews, had shocked the moral sensibilities of the Christian world.

Especially significant was the legislative effort in 1911 to abrogate an 80-year-old Russian-American commercial treaty. This drive constituted almost the dress rehearsal for the Jackson-Mills-Vanik congressional drive of today.

Behind the 1911 effort was a determination to relieve the desperate plight of Russian Jews, although the battle was technically fought over the more narrow issue of passport discrimination against American Jews seeking to visit Russia.

A proclamation by President William Howard Taft in March 1910 extending to Russia minimum tariff rates despite reluctance by the U.S. Tariff Board, prompted the public campaign. Towards the end of that year, New York Congressman Herbert Parsons cautioned the Administration that the House might demand the termination of the 1832 commercial treaty. The implied threat was rebuffed. Secretary of State Philander Knox in a note to the President argued that "quiet and persistent endeavor" (quiet diplomacy, in modern parlance) would be more effective than treaty abrogation in changing czarist policy.

A series of State Department memoranda in early 1911 buttressed the Philander Knox note with arguments that find a remarkable echo today: America's commercial and industrial interests would allegedly be harmed; Antisemitism would fall upon Russian Jews. There were other statements made at the time: We have no right to intervene in the internal affairs of foreign countries; And there were even warnings that antisemitism would take place in the United States as a consequence of these efforts.

Much of the American public saw the issue differently. A massive number of petitions and and resolutions bombarded Congress. Public rallies were held in various cities, culminating in a mass meeting in New York on December 6, 1911, under the auspices of the National Citizens Committee and addressed by Woodrow Wilson, William Randolph Hearst and Champ Clark. One week later speaker after speaker arose in the House of Representatives to express sympathy for Jews and to condemn the barbaric practices of czarist Russia. The vote for abrogation was overwhelming—301 to 1.

With the Senate certain to have a similar lopsided vote, the Secretary of State hastened to soften the impact on the angry czarist regime. In language which stressed friendship between the two countries, he advised the Russian Foreign Office that the United States was terminating the commercial agreement as of January 1, 1913.

Russian officials reacted with astonishment. They failed to comprehend, as a historian of the event observed, "how a moralistic crusade could dictate political action."

That failing should no longer obtain. Senator Henry Jackson has repeatedly emphasized, both publicly and privately, that the United States, as a nation of immigrants, has a vital stake in the right to emigrate freely.

The amendment addresses itself not to trade *per se;* indeed, its sponsors are vigorous advocates of a greater degree of trade. The matter of the legislation focuses upon trade *concessions* which the USSR desires and seeks—most-favored-nation treatment, credits, and credit guarantees.

The price asked for such concessions can hardly be described as extravagant. On the contrary, the price is but minimal; adherence to international standards of conduct that are appropriate for any civilized society.

International morality and law concerning the precious right to emigrate must be upheld, and America, in championing this right, pursues a course which has been integral to its purpose since the very founding of the republic.

AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE 1973 POLICY STATEMENT

Mr. HUMPHREY. Mr. President, recently, the American Israel Public Affairs Committee conducted its 14th annual national policy conference to celebrate the 25th anniversary of the founding of the State of Israel and to honor the newly appointed Israeli Ambassador to the United States, Simcha Dinitz.

The American Israel Public Affairs Committee—AIPAC—is a nonpartisan organization which, for more than 20 years, has worked to foster the friendship and good will between the United States and Israel and to advocate measures that promote stability and an enduring peace in the Middle East.

Presiding over this year's conference were AIPAC Chairman Irving Kane of Cleveland, Honorary Chairman Rabbi Philip S. Bernstein of Rochester and Executive Vice Chairman I. L. Kenen, who has directed AIPAC's Washington activities since the committee's inception.

AIPAC's executive committee is composed of national and community Jewish leaders. Two former Congressmen, Emanuel Celler and Herbert Tenzer are cochairmen of AIPAC's national council.

AIPAC's annual policy conferences were begun in 1960 to give its members an opportunity to meet with Congressmen and Government officials and to formulate a policy statement to guide the committee activity for the coming year.

The policy statement adopted at this year's conference is of interest to both Members of Congress and the public and I ask unanimous consent that the statement be printed in the RECORD.

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

AMERICAN ISRAEL PUBLIC AFFAIRS STATEMENT OF POLICY ADOPTED AT ITS CONFERENCE, MAY 7, 1973

This year we celebrate the 25th anniversary of the establishment of the State of Israel and the splendid progress she has made in the reclamation of land and people.

But Israel is still denied the blessings of peace. The Arab states went to war against the United Nations resolution of 1947, which recognized Israel's right to exist, and for 25 years have persisted in their objective of destroying the Jewish state.

Throughout this period Israel has never

abandoned the hope of peace with her Arab neighbors. She has always been ready to accept reconciliation and peace, which would bring about Arab-Israel friendship and cooperation while ensuring secure and recognized boundaries for all states in the area.

The Arab states must recognize that a genuine peace cannot be attained by military aggression, imposed by great powers or enforced by outside intervention or guarantees. Mutual accommodation and lasting peace can be attained only though negotiations between the parties directly involved.

U.S.-ISRAEL RELATIONS

The American Israel Public Affairs Committee has advocated strong economic, military and diplomatic support for Israel by the United States. The success of U.S. policy in implementation of this basic principle has reinforced this position.

We commend President Nixon and the Congress for their ongoing commitment which enables Israel to maintain her deterrent military strength and for their constuctive response to Israel's need for assistance in meeting the economic burdens resulting from the continued belligerence of the Arab states and from the continuing and welcome immigration of Soviet Jews.

However, we note with regret that the Administraiton's fiscal 1974 budget request proposes to cut supporting assistance to Israel from the $50 million appropriated last year to $25 million and that the Administration has not requested additional funds to aid in the resettlement of Soviet Jewish emigrants. We urge that U.S. aid to Israel be maintained at its current levels.

We also call upon the U.S. government to recognize Jerusalem as the capital of the State of Israel and we urge the United States to move its embassy to Jerusalem.

We welcome U.S. diplomatic efforts to promote dialogue, without preconditions, between Israel and the Arab states and the firm U.S. rejection of Arab demands for an imposed solution.

We commend U.S. opposition to one-sided UN resolutions which flout UN principles by condemning Israel's preventive and defensive actions while ignoring the provocations and aggression of her enemies.

U.S. support for Israel has helped to maintain the cease-fire, reduce Great Power rivalry and increase U.S. influence and prestige in the region. It has also led some Arab leaders to consider the possibility of peace through negotiations. We urge that this policy be continued.

THE SOVIET UNION AND THE UNITED STATES IN THE MIDDLE EAST

President Nixon's firm refusal to compromise Israel's security in his discussions with Russian leaders during the past year helped to defuse U.S.-Soviet tensions in the Middle East. The exodus of most Russian personnel from Egypt has further reduced the danger of renewed armed conflict in the area.

Nevertheless, the threat of Russian involvement in the region cannot be disregarded.

The Soviet naval presence in the Mediterranean Sea and the Indian Ocean continues to grow. Russian arms shipments to Iraq, Syria and Egypt fortify Arab intransigence.

Strong support for Israel—as well as the maintenance of a U.S. naval presence sufficient to ensure freedom of the seas and deter threats to the integrity of all states in the Middle East—is essential to counter Soviet influence in the area.

THE ENERGY PROBLEM

The United States must develop effective measures to meet anticipated energy shortages.

We note with regret a reckless and irresponsible propaganda drive by certain vested interests to link the "oil crisis" with the Arab-Israel conflict—a position which the Administration has not adopted.

Surrender to demagogic demands at Israel's expense will neither guarantee oil shipments from the Arab world nor safeguard foreign investments nor allay the adverse economic effects of U.S. dependence on Arab oil.

The answer to our energy problems will not be found in Arab-Israel politics. A solution requires joint economic planning with other oil-importing states, increased utilization of our own resources, energy conservation, and rapid research for the development of alternative sources of energy. These measures are imperative if we are to resist and combat political and economic blackmail.

ARAB-ISRAEL RELATIONS

Where Israelis and Arabs live together there is an increased spirit of understanding and coexistence.

Jerusalem now flourishes as a unified city open to all—Christians, Moslems and Jews—without discrimination.

The Arabs in areas administered by Israel now enjoy improved standards of health, education and employment. In the West Bank all Arab refugees have in fact been absorbed and given employment in an expanding economy.

The prosperity and freedom enjoyed by the Arabs of Jerusalem, the West Bank and Gaza under Israel's administration have enhanced cooperation between Arabs and Israelis. And Israel's policy of permitting Arabs from all parts of the Arab world to visit the West Bank and Israel has helped dissipate false conceptions which have hindered Arab understanding of Israel.

The West Bank elections—held with unprecedented voter turnout despite terrorist threats—the establishment of an independent Arab university on the West Bank, the family reunification program, and the increased trade and travel across the Jordan River further demonstrate the advantages of peaceful coexistence and mutual cooperation.

SOVIET JEWRY

We support both trade and detente with the Soviet Union. But we believe that it is imperative for the Soviet Union to change its restrictive emigration policies in order to achieve detente.

We commend the Nixon Administration and the Congress of the United States for their efforts to induce the Soviet Union to end its ruthless policy of denying religious and cultural rights and freedom of emigration to its Jewish citizens.

We welcome the announcement by President Nixon that the Soviet Union has decided to suspend the education tax, which was, in effect, a ransom.

We believe that progress toward this welcome decision was accelerated by the extraordinary and unprecedented demonstration of congressional support for the Jackson-Mills-Vanik legislation with respect to the pending trade bill, which proposes to deny most-favored-nation status, credits and investment guarantees to states which restrict emigration or impose excessive exit fees.

In the forthcoming weeks the Soviet commitment to the Administration will be tested by performance. We call attention to the fact that 100,000 Soviet Jews have applied for visas but that the great majority have not been granted, and there is continuing harassment and imprisonment, under inhuman conditions, of those wishing to emigrate.

We call for the repeal of the onerous restrictions to emigration which the Soviet Union continues to impose, such as the requirement of prospective emigrants to secure parental permission, regardless of age; the humiliation of interrogation before hostile workers councils; denial of employment in their regular fields of occupation upon applying for emigration and subsequent castigation as parasites; arbitrary denial of emigration permits based on spurious security considerations and geographical origins. We call for the liberation of those who have been imprisoned solely because of their expressed desire to emigrate and we call upon the USSR to desist from new prosecutions of would-be emigrants.

We urge both the President and the Congress to maintain a vigilant watch on developments in the Soviet Union in the weeks and months ahead.

We continue to support the Jackson-Mills-Vanik legislation in the belief that this measure has served and can continue to serve a constructive purpose and we urge Congress and the Administration, working together, to take legislative action to give effect to its principles and objectives.

JEWS IN ARAB LAND

We protest the inhuman treatment of Jews living in some Arab lands, notably Iraq and Syria. An aroused public opinion will help to end the arbitrary kidnapping, expropriation of property, imprisonment and murder of Jews in these countries. We urge our government, the United Nations and governments throughout the world to use their influence to ensure the restoration of basic human rights to these tragic remnants of once-flourishing communities—including the right to emigrate to countries of their choice.

TERRORISM

The escalation of Arab terrorist piracy and murder poses danger not only to Israel, but to the entire world.

Israel has curbed terrorism within her borders by vigilant security measures and by consistent rejection of terrorist blackmail. She has warned neighboring Arab nations of their responsibility, under the 1948 armistice, to halt attacks emanating from their territory and has acted to wipe out terrorist bases in countries where terrorists are harbored, financed and encouraged.

Terrorism can be combated successfully on a global scale when all nations refuse to capitulate to extortion or give sanctuary to hijackers and terrorists within their borders and agree to penalize and impose sanctions on those countries which provide havens for and encourage these international outlaws.

We welcome measures adopted and promoted by our government to counter international hijacking and terrorism and we deplore the failure of the United Nations to adopt U.S.-initiated proposals while, at the same time, voting to censure Israel for taking legitimate measures to protect her population against attack and murder.

THE UNITED NATIONS

The built-in coalition of Arab and Soviet bloc states at the United Nations continues to push through defamatory anti-Israel resolutions which make unsubstantiated charges of transgression in the administered territories and falsely blame Israel for the continuing impasses in the Middle East.

In addition, the United Nations has made no contribution toward a solution to the problem of the Arab refugees. It has in fact hindered a solution by challenging Israel's attempts to raise their standard of living and by failing to encourage the Arab states to aid in their resettlement in Arab lands.

By shifting blame to Israel, by disseminating malicious and uncorroborated allegations, by refusing to investigate charges of mistreatment of Jews in Arab lands, and by failing to act against terrorism, the United Nations has fortified Arab resistance to peace, thus prolonging the conflict.

GENOCIDE CONVENTION

It is now 25 years since the United Nations General Assembly approved the Genocide Convention. Since then 75 nations have ratified this Convention, but the United States has failed to do so.

We are encouraged by the favorable report of the Senate Foreign Relations Committee and we appeal to the Senate to approve the Convention as soon as possible.

PEACE TREATIES

We believe that all outstanding issues between Israel and the Arab states can be resolved by peace treaties arrived at through direct negotiations, obligating the parties to each other and leading to:

a) the recognition by the Arab states of Israel's existence as a sovereign nation in the Middle East;

b) the establishment of secure, mutually recognized and agreed upon boundaries;

c) effective controls to end hijacking and terrorism;

d) acknowledgement of Israel's sovereignty over a unified Jerusalem with free access to the holy places for all faiths;

e) freedom of navigation through the Suez Canal, the Straits of Tiran and the Red Sea, as long established by international law;

f) an end to economic warfare, boycotts and blockades;

g) de-escalation of the arms race.

Israel's first 25 years have demonstrated her desire and her capacity to live and grow as a free and democratic state in a peaceful Middle East.

The friendship and understanding between Israel and the United States have been crucial to Israel's development and survival and have served the highest interests of our country.

We hope that the time will soon come when the Arab states will learn that the road to lasting peace and prosperity in the Middle East will be traveled successfully only when Arabs and Israelis travel it together.

NEW YORK BAR COMMITTEE ENDORSES IMPOUNDMENT BILL

Mr. ERVIN. Mr. President, the Committee on Federal Legislation of the Association of the Bar of the City of New York recently issued a report in which it endorsed S. 373, the impoundment control procedures bill which passed the Senate on May 10.

In the report, the committee said that the impoundment legislation "is desirable and within the constitutional powers of Congress," and it agreed with me that the impoundment bill would—

Establish for the first time an orderly procedure whereby the President of the United States can call to the attention of the Congress (without having to veto a broader piece of legislation) specific changes or deferrals in government expenditures which he considers essential, and at the same time would retain in the Congress the ultimate power of the purse conferred on that body by the Constitution.

While the committee suggested some changes in the impoundment bill as reported to the Senate by the Committee on Government Operations, it approved the general thrust of the bill.

The committee's report also set out in concise fashion the key arguments for enactment of impoundment control legislation, and I commend it to Senators and every citizen who is interested in this important issue.

Mr. President, I ask unanimous consent that the report on "Executive Impoundment of Appropriated Funds" by the Committee on Federal Legislation of the Association of the Bar of the City of New York, which was issued on April 25, 1973, be printed in the RECORD.

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

EXECUTIVE IMPOUNDMENT OF APPROPRIATED FUNDS

(By the Committee on Federal Legislation)

The sharp controversy between the President and the Congress over Executive impoundment of appropriated funds has given rise to a serious constitutional confrontation between the two branches of government. The Administration has taken the position that the President's authority to impound appropriated funds is grounded in the Constitution.[1] Congressional leaders, on the other hand, point to the Constitution's having given the power of the purse to Congress, and various bills have been introduced in both Houses designed to prohibit or restrict Executive impoundment. On April 4, 1973 the Senate, amending a bill giving Congressional approval to the recent devaluation of the dollar, adopted by a vote of 70 to 24 a comprehensive proposal introduced by Senator Sam J. Ervin enabling Congress to review and nullify Executive impoundments.[2]

We believe such legislation is desirable and within the constitutional powers of Congress. This report will discuss the issues principally in terms of the Senate-passed amendment, as the similar House bills had not cleared the Rules Committee as this report went to press.

I. TERMS OF THE PROPOSED LEGISLATION

The impounding measure passed by the Senate applies whenever the President or any Executive officer or employee "impounds any budget authority made available, or orders, permits, or approves the impounding of any such budget authority by any other officer or employee of the United States . . ." (§ 2(a)).[3]

For purposes of the Act the "impounding" of budget authority includes, *inter alia*, "withholding, delaying, deferring freezing, or otherwise refusing to expend any part of budget authority made available by Congress (whether by establishing reserves or otherwise) and the termination or cancellation of authorized budgets or activities to the extent that budget authority has been made available" (§ 4(1)), and "any type of Executive action or inaction which effectively precludes or delays the obligation or expenditure of any part of authorized budget authority" (§ 4(4)).

Within ten days of such impounding, the President is to transmit to both Houses a special message specifying, *inter alia*, the amount impounded, the time period of and the reasons for the impoundment, including any legal authority invoked by the President justifying it, the department or agency of government to which the amounts would have been available, and to the extent practicable the estimated fiscal, economic and budgetary effect of the impoundment. If the President fails to report impounding action to the Congress as required by the Act, the Comptroller General shall report such impounding action to both Houses along with any available information, and the provisions of the Act will apply as if the report had been made by the President.[4]

The Comptroller General is to review the President's report of an impoundment and advise both Houses of Congress (within 15 days after receipt of the impounding message) as to whether the impoundment in his judgment is in accordance with existing statutory authority. If the Comptroller General determines that the impoundment was in accordance with the Anti-Deficiency Act (described at page 3 below), the Ervin impounding amendment will not otherwise apply to the impoundment in question. In all other cases the provisions of the impoundment measure apply, even if the Comptroller General advises that there is other existing statutory authority for the Executive action.

Under the bill, the impounding of any budget authority set forth in a special message shall cease unless within 60 calendar days of "continuous session" after the message is received by Congress, the specific impoundment shall have been ratified by adoption of a concurrent resolution of both Houses.[5] Congress may, however, terminate the impoundment or any part of it earlier by a concurrent resolution. If Congress fails to approve the impoundment by the end of the statutory period, or earlier disapproves the impoundment, the obligation of the budget authority subject to the special message is made mandatory, and the Executive is precluded from reimpounding the specific budget authority set forth in the special message.[6]

Provision is made by the bill for expedited consideration of the impounding message as privileged business in both Houses, without referral to committee and with limited debate. Finally, the measure provides that, should the President desire to make any impoundment of an appropriation that is not authorized by the Act or by the Anti-Deficiency Act, he should seek legislation "utilizing the supplemental appropriations process to obtain selective recission of such appropriation by the Congress" (§ 9(b)).

II. CONSTITUTIONAL PROVISIONS AND HISTORICAL PRACTICES

The relevant constitutional provisions are Article I, Section 1, which vests "All legislative Powers" in the Congress; Article I, Section 8, which grants the "Power" to Congress, among other things, to "make all Laws which shall be necessary and proper for carrying into Execution" the enumerated powers of Congress and "other Powers vested by this Constitution in the Government of the United States, or in any Department or officer thereof"; Article I, Section 9, which provides, among other things, that "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law"; Article II, Section 1, which provides that "The executive Power shall be vested in a President"; Article I, Section 7, which provides for a limited veto power in the President of any "Bill"; and Article II, Section 3, which provides that the President "shall take Care that the Laws be faithfully executed."

The impoundment of funds by Presidents is nothing new. As far back as 1803 President Thomas Jefferson declined to spend an appropriation for gunboats because a "favorable and peaceful turn of affairs on the Mississippi rendered an immediate execution of that law unnecessary." Jefferson's Third Annual Message to Congress, October 17, 1803. However, there were few other substantial impoundments during the 19th century.

The first extensive impounding was done by President Franklin D. Roosevelt in the early 1940's when the economy of the United States shifted first to defense and later to war production. In order to control government spending, inflation and the related economic effects, President Roosevelt directed that a variety of funded programs, notably public works projects unrelated to the war effort, be postponed for the duration of the war. Fisher, *The Politics of Impounded Funds*, 15 ADMINISTRATIVE SCIENCE Q. 361.

Succeeding administrations have continued the impoundment practice. In 1949 President Truman impounded some $700 million appropriated for expanding the Air Force. President Eisenhower impounded funds for the Nike-Zeus missile development. President Kennedy impounded funds for the development of the B–70 bomber. In 1966, President Johnson, as an anti-inflationary measure, withheld $5.3 billion in highways, housing and urban development, education, agricul-

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Footnotes at end of article.

ture and health and welfare funds. (Under pressure from Congress, a major part of these funds was released for expenditure some months later.)

It is not surprising that Congress has not frequently challenged the President when he has impounded funds in instances where he finds that the program of Congress can be carried out without expending all the appropriated monies. Indeed, the usual appropriation measures are generally construed merely to authorize the President to expend funds for a particular program, but not to impose upon him the affirmative duty to do so.[7] The President is clearly fulfilling his duty to "take Care that the Laws be faithfully executed" where he accomplishes the Congressional program at a lower cost. The Anti-Deficiency Act, enacted in 1905 and subsequently elaborated (31 U.S.C. § 665), in its present formulation explicitly recognizes the principle. The Act requires apportionment of funds on a periodic basis to minimize the need for deficiency appropriations, and provides that the President shall set aside funds for contingencies or effect savings whenever they are made possible "by or through changes in requirements, greater efficiency of operations, or other developments" that take place after funds have been appropriated.

Other statutes require the withholding of funds under circumstances specified by Congress. For example, Title VI of the 1964 Civil Rights Act directs the agencies to withhold federal funds from programs in which there is discrimination by race, color or national origin. Similarly, welfare assistance is required to be cut off from States which do not update their welfare payments to reflect cost of living increases. Spending ceilings adopted by Congress for the fiscal years 1969–1971 gave the President power to withhold funds. Various foreign assistance acts direct the President to withhold economic assistance under certain conditions.

At times the President is faced with apparently conflicting legislation. For example, the 1971 Military Pay Raise Statute required that raises were to be effective in October 1971. The statute was passed without referring to the President's general authority to freeze pay under the Economic Stabilization Act. Attorney General Mitchell opined that the President was authorized under the latter act to defer the military pay raise. More general fiscal control measures, such as the laws setting a debt limit ($465 billion for the year ending June 30, 1973), have been cited in support of Presidential authority to refrain from expending funds.

On occasion other general factors have been weighed by the President in deciding the extent to which funds should be expended. As stated above, in the 1940's President Roosevelt directed that certain projects be postponed or cancelled though funds had been appropriated for them. When certain programs of the Agricultural Marketing Administration were curtailed by the Bureau of the Budget, and some Congressmen complained, President Roosevelt responded:

"It should, of course, be clearly understood that what you refer to as 'the practice of the Bureau [of the Budget] of impounding funds duly appropriated by the Congress' is in fact action by the Chief Executive, and has two purposes. The first purpose is compliance with the Anti-Deficiency Act which requires that appropriated funds be so apportioned over the fiscal year as to insure against deficiency spending. * * * Secondly, the apportionment procedure is used as a positive means of reducing expenditures and saving money wherever and whenever such savings appear possible.

"While our statutory system of fund apportionment is not a substitute for item or blanket veto power, and should not be used to set aside or nullify the expressed will of Congress, I cannot believe that you or Congress which are common to sound business management everywhere. In other words, the mere fact that Congress, by the appropriation process, has made available specified sums for the various programs and functions of the Government is not a mandate that such funds must be fully expended. Such a premise would take from the Chief Executive every incentive for good management and the practice of commonsense economy. This is particularly true in times of rapid change in general economic conditions and with respect to programs and activities in which exact standards or levels of operation are not and cannot well be prescribed by statute."[8]

III. THE CURRENT CONTROVERSY

Whether or not past impoundments were consistent with the intent of Congress or met with the wishes of all Members of Congress, the Administration of President Nixon has made what must be viewed as a change in kind in the utilization of impoundment. The President has impounded funds, and has announced he will impound funds, in connection with varied domestic programs with respect to which the Congressionally established level of funding is considered by the President incompatible with his own budget priorities.

Thus, in 1969 President Nixon announced plans to reduce health research grants, Model Cities funds and grants for urban renewal, while in the same period proceeding with Administration-backed programs relating to the supersonic transport, a new manned bomber and the Safeguard ABM System. In the Spring of 1971 the President announced the withholding of more than $12 billion, most of it in highway money and funds for various urban programs. He also proceeded with public works projects which he had recommended to Congress, but deferred, without exception, all of the additional projects that Congress had approved. A variety of other programs have since been abolished or seriously curtailed. For example, the President terminated several agricultural programs, including the rural environmental assistance program and emergency disaster loans to farmers.

The President also effectively impounded, by refusing to allocate for project approval, $6 billion in federal water pollution control funds authorized by Congress over the President's veto in the Water Quality Act Amendments of 1972. In January of 1973 Representative Joe L. Evins, Chairman of the House Appropriations Committee's Subcommittee on Public Works, cited that action and listed an additional $6 billion in appropriated funds for the fiscal year 1973 being withheld, frozen or impounded by the Office of Management and Budget.

Many Members of Congress have deemed the President's widespread impounding to be, in the words of Senator Ervin, "merely a means whereby the White House can give effect to social goals of its own choosing by reallocating national resources in contravention of congressional dictates. * * * By impounding appropriated funds, the President is able to modify, reshape, or nullify completely laws passed by the legislative branch, thereby making legislative policy—a power reserved exclusively to the Congress" (CONG. REC. Jan. 16, 1973, pp. 1149–1150).

IV. CONSTITUTIONALITY OF THE LEGISLATION

There have been very few instances of legislation specifically prohibiting impoundment. One is the Rural Post Roads Act of July 13, 1943, 57 Stat. 560, 563, providing that "no part" of any appropriation authorized in the Act shall "be impounded or withheld from obligation or expenditure by any agency or official" unless the War Production Board certified that the use of critical materials for highway construction would impede conduct of the war.[9] But no litigation involving the Act appears to have been brought.

On April 2, 1973 the United States Court of Appeals for the Eighth Circuit, affirming the United States District Court for the Western District of Missouri in *State Highway Commission of Missouri* v. *Volpe*, 347 F.Supp. 950 (W.D. Mo. 1972), held that the Federal Aid Highway Act of 1956, as amended, prohibited the Secretary of Transportation and the Director of the Office of Management and Budget from withholding, as an anti-inflation measure, Missouri's authority to obligate its apportionment from the Highway Trust Fund for the fiscal year 1973. Twenty-two Senators and four Members of the House joined in an *amicus* brief before the Court of Appeals opposing the impoundment and challenging the constitutionality of Executive impoundment of Congressionally appropriated funds.

Restricting its decision solely to construction of the Highway Aid Act, the Eighth Circuit remarked that resolution of the issue did not involve an analysis of the Executive's constitutional powers. The court declined to reach the constitutional issues inasmuch as nothing in the record demonstrated that the Secretary of Transportation would continue to exercise controls beyond those which judicial construction found permissible within the relevant statutes.

Similarly, the District Court opinion had not reached the constitutional issue, concluding that the reason advanced by the Secretary for withholding funds, that is, the prevention of inflation, was "impermissible" under the terms of the statute. Thus, in rejecting the argument that the President's decision to withhold funds could be justified by general economic considerations, the District Court had said:

"The reasons advanced by the Secretary for the current and past withholding of obligational authority are foreign to the standards and purposes of the Act and the Fund. The reasons relied on are related to the prevention of inflation of wages and prices in the national economy. These reasons are impermissible reasons for action which frustrates the purposes and standards of the Act, including but not limited to those in Section 109, Title 23, U.S.C.A. Therefore it is not within the discretion of the Secretary to withhold obligational authority from Missouri, and judicial relief should be granted to Missouri." 347 F. Supp. at 954.

The Court of Appeals agreed: "Apportioned funds are not to be withheld from obligation for purposes totally unrelated to the highway program." The court found that nothing in the Highway Aid Act "explicity or impliedly allows the Secretary to withhold approval of construction projects for reasons remote and unrelated to the Act."[10]

On similar reasoning, the United States District Court for the District of Columbia on April 11, 1973 enjoined, as contrary to statutory authority, certain actions of the Acting Director of the Office of Economic Opportunity which would apparently constitute an impoundment under the definition of the Ervin measure (see page 1 above). After the President announced in January 1973 that no funds for OEO's community action program or for the existence of the agency itself were being requested in the fiscal 1974 Budget, the Acting Director of OEO took several actions looking toward complete phase-out of the program and of OEO's administrative operations prior to the end of the current fiscal year, including directions for the diversion of appropriated funds from the substantive program to the expenses of termination of OEO and its grantee community action agencies. The District Court held these actions to be contrary to OEO's authorizing legislation and other relevant statutes. The court noted that it was not taking away the discretion of the agency in making specific funding decisions under the program, but rather requiring that that discretion be exercised as

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the underlying legislation contemplated, until such time as Congress might act to terminate the program. *Local 2577, AFGE* v. *Phillips* (D.D.C. April 11, 1973).[11]

The constitutional argument on behalf of an Executive power to impound appears to rest on the "inherent" powers of the President. Although Deputy Attorney General Joseph T. Sneed, who testified for the Administration at the 1973 Senate hearings on S. 373, contended that Congress could not constitutionally mandate spending on the Executive (except under very narrow circumstances), it is difficult to determine the premise constitutional theory supporting the contention. Mr. Sneed appeared to rely on "past practice" and "the intractable realities of modern government under our system of separated powers." The latter phrase seemingly is based on the premise that "the structure of Congress does not enable it to assume the executive responsibility for achieving" the end of protecting "purchasing power by avoiding intolerable inflation." This was said to raise a "double whether Congress can legislate against impoundment even in the domestic area when to do so would result in substantially increasing the rate of inflation." Further, it was argued that to "admit the existence of such power deprives the President of a substantial portion of the 'executive power' vested in him by the Constitution." 1973 Hearings, pp. 366–369.

Mr. Sneed also asserted that the constitutional questions would be the greatest in the areas of national defense and foreign relations, because there the President's powers and responsibility derived from his express status as Commander-in-Chief of the armed forces and as the "sole organ" of the nation in the conduct of its foreign affairs. In those areas the President has relatively broad constitutional authority. See *e.g., United States* v. *Curtiss-Wright Export Corp.*, 299 U.S. 304, 319–320 (1936). The extent to which Congress may mandate expenditures in those fields has never been litigated.

Judicial authority on the constitutional issue of impoundment is very sparse. *Kendall* v. *United States*, 12 Pet. 524 (1838), is the closest Supreme Court decision in point. There a mandamus proceeding was brought to compel the Postmaster General to pay certain contractors sums which had been awarded to them in accordance with a procedure directed by Congress. The Postmaster General had refused to credit the contractors with the full amount of the award.

On appeal it was urged that the Postmaster General was subject only to the direction and control of the President "with respect to the execution of the duty imposed upon him by this law," and that "this right of the President is claimed as growing out of the obligation imposed upon him by the Constitution to take care that the laws be faithfully executed." The Court responded to this argument:

"This is a doctrine that cannot receive the sanction of this court. It would be vesting in the President a dispensing power which has no countenance for its support in any part of the Constitution, and is asserting a principle which, if carried out in its results to all cases falling within it, would be clothing the President with a power entirely to control the legislation of Congress, and paralyze the administration of justice.

"To contend that the obligation imposed on the President to see the laws faithfully executed implies a power to forbid their execution, is a novel construction of the Constitution, and entirely inadmissible." 12 Pet. at 613.

In deciding that mandamus was the proper remedy, the Supreme Court said:

"The act required by the law to be done by the Postmaster-General is simply to credit the relators with the full amount of the award of the solicitor. This is a precise, definite act, purely ministerial, and about which the Postmaster-General had no discretion whatever." *Ibid.*[12]

In later cases the Supreme Court has followed the *Kendall* decision and said that when Congress appropriates money for payment to a particular person, the Executive Branch has no discretion to refuse payment.[13]

Legal advisers to Presidents have adopted the same view. Attorney General Griggs ruled in 1899 that there was no authority to refuse to pay a claim based on a private bill. 22 OPS. ATT'Y GEN. 295 (1900). In 1937 Attorney General Cummings gave an opinion that the President is without power to withhold appropriations unless the power is contained in legislation.[14]

Mr. Justice Rehnquist, when he was serving as Assistant Attorney General in the Office of Legal Counsel of the Department of Justice, took the view that the President had no broad power to refuse to spend where Congress had mandated spending. In a memorandum addressed to the Deputy Counsel to the President and concerning the President's authority to impound funds appropriated for aid to schools in federally impacted areas,[15] he said:

"With respect to the suggestion that the President has a constitutional power to decline to spend appropriated funds, we must conclude that existence of such a broad power is supported by neither reason nor precedent. There is, of course, no question that an appropriation act permits but does not require the executive branch to spend funds. See 42 Ops. A.G. No. 32, p. 4 (1967). But this is basically a rule of construction, and does not meet the question whether the President has authority to refuse to spend where the appropriation act or the substantive legislation, fairly construed, require such action.

* * * * *

"Although there is no judicial precedent squarely in point, *Kendall* v. *United States*, 12 Pet. 524 (1838) appears to us to be authority against the asserted Presidential power. In that case it was held that mandamus lay to compel the Postmaster General to pay to a contractor an award which had been arrived at in accordance with a procedure directed by Congress for settling the case.

* * * * *

"[T]he mere fact that a duty may be described as discretionary does not, in our view, make the principle of the *Kendall* case inapplicable, if the action of the federal officer is beyond the bounds of discretion permitted him by the law.

* * * * *

"It is in our view extremely difficult to formulate a constitutional theory to justify a refusal by the President to comply with a Congressional directive to spend. It may be argued that the spending of money is inherently an executive function, but the execution of any law is, by definition, an executive function, and it seems an anomalous proposition that because the Executive branch is bound to execute the laws, it is free to decline to execute them.

* * * * *

"It has been suggested that the President's duty to 'take care that the laws be faithfully executed' might justify his refusal to spend, in the interest of preserving the fiscal integrity of the Government or the stability of the economy. This argument carries weight in a situation in which the President is faced with conflicting statutory demands, as, for example, where to comply with a direction to spend might result in exceeding the debt limit or a limit imposed on total obligations or expenditures. See *e.g.*, P.L. 91–47, title IV. But it appears to us that the conflict must be real and imminent for this argument to have validity; it would not be enough that the President disagreed with spending priorities established by Congress. Thus, if the President may comply with the statutory budget limitation by controlling expenditures which Congress has permitted but not required, he would, in our view, probably be bound to do so, even though he regarded such expenditures as more necessary to the national interest than those he was compelled to make."

We think that this reasoning is sound and should be followed. The plan of the Constitution contemplates that "legislative" matters, that is, general policies and programs, shall be determined by Congress and that those policies and programs, if Congress shall so direct, must be "faithfully executed" and implemented by the President.

Where Congress has made its intent clear the President is constitutionally obligated to effectuate that intent. He does not have discretion to substitute his own views as to policy for those of the Congress, provided Congress has embodied its own views in mandatory legislation. "Legislative" powers, "all" of which have been "vested" by Article I, Section 1 in Congress, must include the power to make general policy. The President is given no role in the legislative process other than the power under Article II, Section 3 to recommend legislation and the limited power to veto a "bill" under Article I, Section 7. The President, on the other hand, is directed by Article II, Section 3, to take care that the product of Congress' legislative powers, namely, the laws, shall "be faithfully executed."

It is clear to us that Congress has the constitutional power in most instances to mandate expenditure by the Executive of funds Congress has appropriated.[16] The Ervin amendment passed by the Senate would make clear that Congress intends to utilize its constitutional powers in this regard. At the same time, the legislation has the merit of avoiding a confrontation between two absolutist constitutional positions—that by which the Executive asserts, as described above, a power to make impoundments free of Congressional check, and the other by which the President would be denied all power to initiate a reduction or deferral of spending from the levels prescribed by Congress. The Senate measure recognizes, and in effect legitimizes, the extraordinary power of Executive impoundment, while subjecting its exercise to Congressional review and concurrence in each instance.

V. DESIRABILITY OF THE LEGISLATION

We believe legislation on this matter is desirable at this tme. Repeated Executive impoundment of Congressionally appropriated funds is presently posing a constitutional confrontation of great dimension. Either court tests of constitutional magnitude must flow from the present situation or Congress's desires with regard to programs it has established may be enforced by resort to political measures, such as withholding approval of Presidential appointments or of unrelated legislative measures sought by the President.

The Ervin amendment reduces the potential involvement of the courts in the political questions inhering in the appropriation of funds and their expenditure, by bringing a Presidential impoundment back before Congress for its consideration. Congress can then assent to that impoundment in whole or in part, or disapprove it. The President retains the initiative, and the opportunity to secure Congressional assessment of individual impoundments based on the current facts upon which he has acted. He may persuade Congress of the wisdom of his action, rather than throwing the impoundment authority question immediately into the litigation

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arena. By giving the President a vehicle to seek Congressional assessment of specific withholdings of appropriations items, and by offering to Congress the opporunity to agree or disagree with the President, a crisis of confrontation in the political arena may also be avoided.

The measure recognizes that the only way under the Constitution that a President can disapprove an Act of Congress is by a limited veto. If the President could effectively veto legislation by impoundment, the limited veto (which can be overridden by a two-thirds vote of each House) would become an absolute veto. At the same time the measure provides the mechanism for ameliorating the strictures on "item vetoes" [17] by giving the President an opportunity to have Congress reassess, in light of current conditions, individual budgetary items which may have been passed and signed into law as parts of larger packages, perhaps many years earlier in the case of program-authorizing legislation.

We have comments on some specific features of the legislation:

1. Any legislation in this area presents a problem which has been of great concern to this Committee—that of avoiding the application of anti-impoundment legislation to mere non-spending in the ordinary course of efficient operation and management of government. Under the Senate measure, if the Comptroller General rules that an impoundment (as broadly defined in the measure) is pursuant to the Anti-Deficiency Act, the machinery for Congressional disapproval does not come into play. In all other cases, the Comptroller General is to advise the Congress whether the impoundment was "in accordance with other existing statutory authority," but even if he responds in the affirmative the matter must go before both Houses (Section 2(c)). We believe this provision is inadequate because it does not filter out cases in which non-spending results from the application of discretionary standards established pursuant to the legislation authorizing or funding a particular program, or from the application of other directly applicable legislation, such as the requirement of Title VI of the Civil Rights Act of 1964 that funds be withheld from programs in which racial discrimination is found.

The extraordinary machinery of the present measure should not be invoked where the result of action (or worse, of inaction) by the Houses of Congress might be, in effect, to amend the standards applicable under existing legislation without going through the entire constitutional legislative process. Accordingly, we believe the impoundment legislation should authorize the Comptroller General to divert instances of non-spending from consideration by the Houses not only on the basis of the Anti-Deficiency Act, but also on the basis that the non-spending satisfies the standards of other clearly applicable existing legislation. Thus the full Congressional machinery would not be invoked unless the normal administrative processing and control of program expenditures had been blocked by Executive action. [18]

2. The Senate measure, unlike some predecessor proposals, provides a mechanism for Congress to consider an impoundment even if the President fails to send a message to Congress announcing the impoundment. The Comptroller General shall report any impounding action if the President fails to make such report, and the provisions of the Act will thereupon be applicable. By dealing with restraint of funds below the level of the President and by providing for the Comptroller General, an arm of Congress, to report impoundments not reported by the President, the Ervin amendment insures Congress against frustration of its will by indirect Executive action. We approve this feature, subject to our comments above concerning its applicability to mere non-spending.

3. The expenditure ceiling amendment passed at the same time as the impoundment amendment provides that proportionate cuts in substantially all budget functions will not constitute an impoundment. The two measures together, then, provide a procedure for the Executive to stay within an expenditure ceiling set by Congress and for Congress, at the same time, to insure that staying within that ceiling does not become an excuse by the Executive for selectively curtailing Congressional programs which do not meet with the Executive's approval.

4. The Ervin amendment, unlike some of its predecessor proposals, enables Congress to move swiftly to disapprove and terminate an Executive impoundment by an affirmative action, passage of a concurrent resolution, without giving the Executive an automatic impoundment for 60 days or more (see page 2 above and footnote 5).

The Senate amendment provides an expedited procedure for voting on the impoundment so as to speed the consideration and determination of the matter. In this connection, we consider the amendment superior to proposals in the House of Representatives, which would permit the mater to be referred to Committee.[19] Expedited procedures for consideration of the impoundment are necessary whether impoundment is to terminate after 60 days of continuous session as a result of Congressional inaction or disagreement, as provided by the Ervin amendment, or only by affirmative Congressional action as proposed by bills under consideration in the House of Representatives (see further discussion of this difference in point 5 below).

The Senate measure also provides that the President may seek legislation, utilizing the supplemental appropriations process, to obtain selective rescission of an appropriation (Section 9(b)). This procedure is an alternative to invoking the impoundment machinery, but apparently it would also be available if an impoundment fails to be sustained. This technique gives the President yet another opportunity to have his current views on individual budget items considered by the Congress.

5. Our Committee is divided on the question whether termination of the Presidential initiative to impound funds should occur in the event of Congressional inaction or disagreement between the Houses at the end of the stipulated period, as the Senate measure provides, or whether affirmative action by the Congress within the stipulated period should be required to halt the impoundment.[20] The arguments for both positions, in summary fashion, are as follows:

Congressional action required to continue impoundment—The case for the Senate procedure emphasizes the prior legislative action that created the funding authorization. Thus, typically there will have been enactment into law of an authorization act as well as an appropriation, and one or both may have been passed by Congress over the President's veto. While Congress in the present measure is nonetheless willing to give the President the initiative in cutting off by impoundment the expenditure of funds thus authorized, as well as the sole power to effect a temporary cut-off while Congress considers the matter, it would give too little respect to the prior legislative action to require that Congress once again affirmatively vote in favor of the program in order to terminate the impoundment. Rather, it should require concurrence of both Houses in the President's initiative to make the impoundment a permanent cut-off or a deferral of spending beyond the stipulated temporary period.

Congressional action required to terminate impoundment—The case here emphasizes the immediate situation, recognizing that circumstances affecting a program or general economic conditions may differ from those that existed when Congress originally voted the authorizing legislation and appropriation. Moreover, viewing the impoundment as an extraordinary measure likely to involve politically sensitive programs, the procedure should be designed to sustain the impoundment unless Congress has both focused on the current issues and affirmatively established a political consensus by vote of each House. Hence the President's initiative should not be overturned unless it directly conflicts with the present sense of priorities in the Congress as manifested by a concurrent resolution of both Houses to terminate the impoundment.[21]

VI. CONCLUSION

We have commented above on certain features of the Senate measure. In general, we agree with its chief sponsor, Senator Ervin, that such legislation would establish for the first time an orderly procedure whereby the President of the United States can call to the attention of the Congress (without having to veto a broader piece of legislation) specific changes or deferrals in government expenditures which he considers essential, and at the same time would retain in the Congress the ultimate power of the purse conferred on that body by the Constitution.

April 25, 1973.

Respectfully submitted,

COMMITTEE ON FEDERAL LEGISLATION,

Martin F. Richman, *Chairman*, Mark H. Alcott, Stephen E. Banner, Boris S. Berkovitch, Donald J. Cohn, Elizabeth B. Dubois, Richard A. Givens, Dan L. Goldwasser, Murray A. Gordon, George J. Grumbach, Jr., Arthur M. Handler, Elizabeth Head.

Charles Knapp, Arthur H. Kroll, William B. Lawless, Standish F. Medina, Jr., Robert G. Morvillo, Eugene H. Nickerson, William B. Pennell, Bruce Rabb, Benno C. Schmidt, Jr., Thomas J. Schwartz, Beatrice Shainswit (Hon.), Brenda Soloff.

(NOTE.—Messrs. Berkovitch and Medina dissent, on the basis of their individual views set forth at page 16 below.)

FOOTNOTES

[1] See testimony of Deputy Attorney General Joseph T. Sneed commencing at p. 358 of the 1973 Senate hearings: *Joint Hearings on S. 373 Before the Ad Hoc Subcomm. on Impoundment of Funds of the Senate Comm. on Gov't Operations and the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary, 93d Cong., 1st Sess.* [hereafter "1973 Hearings"].

[2] The Ervin amendment to the Par Value Modification Act is both an enlargement on and refinement of S. 373 (the Impoundment Control Procedures Act) introduced by Senator Ervin and 53 other Senators in January of 1973, and reflects that bill as reported out on April 3, 1973 by the Senate Government Operations Committee.

In addition to the 1973 hearings in S. 373 before the Ad Hoc Subcommittee, cited *supra* note 1, hearings were held on the subject of Executive impoundment in March of 1971 before the Subcommittee on Separation of Powers: *Hearings on Executive Impoundment of Appropriated Funds Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary, 92d Cong., 1st Sess.*

[3] The impoundment measure does not define "budget authority." The section-by-section analysis of the amendment placed by Senator Ervin in the Congressional Record of April 4, 1973 describes the term as a comprehensive one applying not only to funds appropriated but also other forms of obligational authority, and for a description of the term quotes *The Budget of the United States Government, Fiscal Year 1974*, at p. 315. See CONG. REC., Apr. 4, 1973, p. 11042.

[4] At the time of passing the impoundment measure, the Senate also passed by a vote of 88 to 6 another amendment to the devalua-

tion bill, providing for an expenditure and net lending ceiling of $268 billion for the fiscal year 1973–74, and providing that Congress shall set expenditure ceilings in future years. This expenditure ceiling measure provides that, in reducing expenditures and net lending to remain within the ceiling, the President must cut amounts proportionately (except that no cuts may be made from certain "uncontrollable" expenditures—from funds set aside for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants under Title IV of the Social Security Act, food stamps, military retirement pay, Medicaid, and judicial salaries). If the Comptroller General determines that an Executive reservation to stay within the expenditure ceiling has not been made proportionately, then the reservation must be dealt with under the terms of the impoundment measure.

[5] The "continuous session" formula, which usually is inserted in legislation that has the effect of *deferring* the initial effect of Presidential action, here could result in a lengthy period before *termination* of the effect of an impoundment. The reason is that the continuity of session may be broken by the annual adjournment *sine die* of the Congress, and within the session the 60-day period is extended by recesses of more than three days. Thus, depending on the time of year when the Executive makes an impoundment, the period during which Congressional inaction permits it to continue can run as long as six months or more.

Since Congress under this measure would have the power to act sooner, the "continuous session" formula has the merit here of affording sufficient time in which the Congress can assess the President's action in relation to general economic and political factors, and in which the Executive and the Congress may be able to work out an accommodation without the head-on confrontation of a Congressional resolution of disapproval. On the other hand, a lengthy period of uncertainty as to availability of funding can have serious adverse impact upon the beneficiaries of a program, including local governments and private grantees or contractors. Early resolution of impoundment questions is generally desirable.

[6] Section 202(d) of Title II of the Act, the expenditure ceiling amendment, does permit reimpoundment on a proportionate basis where the reason for the impounding or reservation is that the expenditure ceiling will be exceeded. Title II also provides, however, that its terms will in no event authorize impounding for the purpose of eliminating a program authorized by Congress (§ 202(e)).

[7] *Hukill* v. *United States*, 16 C.Cl. 562, 565 (1880); *Campagna* v. *United States*, 26 C.Cl 316, 317 (1891); *Lovett* v. *United States*, 104 C.Cl. 557, 583 (1945), *aff'd on other grounds*, 328 U.S. 303 (1946); *McKay* v. *Central Electric Power Cooperative*, 223 F. 2d 623, 625 (C.A.D.C. 1955).

[8] This letter is reproduced in part in *First Supplemental National Defense Appropriation, 1944, Hearings before a Subcommittee of the Senate Committee on Appropriations, 78th Cong., 1st Sess. on H.R. 3598*, p. 739, and in 42 OPS. ATT'Y GEN. No. 32, pp. 5–6 (1967).

[9] In the Foreign Assistance Act of 1971, 86 Stat. 20, Congress found a political solution to an impounding confrontation by conditioning the granting of foreign aid funds upon the President's releasing other funds impounded for several government agencies.

[10] Attorney General Ramsey Clark construed the Highway Aid Act contrary to the position of the courts described above, in his opinion sustaining the legality of President Johnson's 1966 impoundment of highway funds. 42 OPS. ATT'Y GEN. No. 32 (1967). The Attorney General's opinion viewed the authorizations contained in the Highway Aid Act as the equivalent of an appropriation act, and concluded that both forms of obligational legislation are permissive rather than mandatory, leaving the Executive with discretion to withhold funds from obligation on the basis of the policies expressed in other laws and the general economic situation. Like the District Court and Eighth Circuit, Attorney General Clark did not reach the constitutional issues in light of his construction of the statute.

[11] The Government on April 20, 1973 sought a stay pending its determination of whether or not to appeal this decision.

[12] Deputy Attorney General Sneed, testifying at the 1973 Hearings, distinguished *Kendall* v. *United States* on the grounds that the case involved payment of a claim for personal services already performed, that the duties enjoined by Congress were merely ministerial, and that there was no direct challenge to Presidential authority since the President sent a message to Congress in which he took no position on the merits of the claim. Mr. Sneed said the primary distinction was that "today's context is one in which the powers of Congress and the President must be accommodated to the inexorable necessities of national fiscal policy. Expenditures must be linked to taxes in a manner that avoids ruinous inflation. A Congress that wishes to spend more than current levels of taxation to justify an excess of a President's wishes cannot discharge its responsibilities by mandating expenditures only. To remain faithful to its own commitment to restrain inflation, it must concurrently increase taxes. If it chooses not to remain faithful to that commitment, the President must serve the commitment by impounding. To extend the teaching of *Kendall* to deprive the President of this power ignores these enormous contextual differences." 1973 Hearings, p. 368.

[13] *United States* v. *Louisville*, 169 U.S. 249 (1898); *United States* v. *Price*, 116 U.S. 43 (1885); *United States* v. *Jordan*, 113 U.S. 418 (1885).

[14] Described in the memorandum cited *infra* note 15, at page 394 of the 1973 Hearings.

[15] 1973 Hearings, pp. 390–395.

[16] Whether the President under Article II of the Constitution has independent Commander-in-Chief or foreign affairs powers permitting impounding in these areas may have to be left to judicial determination should the question arise. The Ervin impoundment amendment passed by the Senate has the salutary effect of reducing the constitutional confrontation to these two areas, rather than putting to the courts in the first instance in all cases the questions of the intent of Congress and the power of the President to impound despite mandating legislation.

[17] See generally Givens, *The Validity of a Separate Veto of Nongermane Riders to Legislation*, 39 TEMPLE L.Q. 60 (1965).

[18] Alternatively, the mere non-spending situation might be handled by a self-executing *de minimis* provision, which would exclude from the definition of impoundment any non-spending of up to, for example, 10% of the current year's appropriation or authorization for any program.

[19] See, *e.g.*, § 4(c) of H.R. 5193, introduced March 6, 1973 by Representative Mahon.

[20] See, *e.g.*, § 2 of H.R. 5193, providing that the President shall cease impounding of funds described in a special message if, within the 60 days, Congress shall have disapproved the impounding by concurrent resolution.

[21] There are constitutional difficulties in giving legislative effect to a concurrent resolution, which is not subject to the President's veto power. This problem is more theoretical than real in the case of a concurrent resolution *approving* the impoundment, because the President will already have concurred in that position by initiating the impoundment. With a concurrent resolution of *disapproval*, on the other hand, the argument must be that the effect as law of the earlier legislation (authorization or appropriation) should not constitutionally be cut off without the concurrence of both Houses as well as the President. This is the argument supporting the constitutionality of the Reorganization Act, 5 U.S.C. § 901 *et seq.*, under which a Presidentially-formulated plan of reorganization for Executive agencies takes effect, with the force of law, unless either House of Congress disapproves it during a stipulated period. In the impoundment context, however, this "one-House veto" technique would be more closely resembled by the proposal requiring affirmative action of Congress to continue impoundment, for there a disapproving vote by either House would reject the President's initiative, as is the case under the Reorganization Act.

INDIVIDUAL VIEWS

Although we agree with the Report's general conclusion that "Congress has the constitutional power in most instances to mandate expenditure by the Executive of funds Congress has appropriated," we respectfully dissent from the view that the Senate's amendment is a desirable way to deal with the impoundment controversy. In our opinion, the amendment may well transform the current dispute into a prolonged constitutional crisis.

The amendment would have the effect of mandating the Executive Branch forthwith to expend or obligate all impounded funds except funds whose impoundment had been determined by the Comptroller General to be in accordance with the Anti-Deficiency Act or had been expressly ratified by Congressional action during the 60-day period following receipt of the President's impoundment message. The mandate to expend or obligate funds would attach without regard to other statutory provisions which, in the absence of the amendment, could be construed as justifying, if not requiring, a particular impoundment. In such circumstances Congressional inaction would have the effect of unilaterally amending or repealing existing statutory provisions.

Moreover, Congress presently lacks the machinery necessary to examine and evaluate the budget as a whole and, more importantly, to consider the impact of one expenditure upon another or on the whole. Unless some agency or committee of Congress, sufficiently staffed, obtains an overview of the entire budget and its component parts, the approval or disapproval of specific impoundments cannot be rationally made.

If enacted into law, the amendment would transfer the responsibility for determining the pace and timing of federal expenditures from the executive to the legislative branch, and would short-circuit judicial consideration of questions of statutory construction which are germane to most challenged impoundment cases. We therefore conclude that enactment of the amendment, at this time and in its present form, would be unwise.

BORIS S. BERKOVITCH,
STANDISH F. MEDINA, JR.

WELCOME TO OUR SENIOR CITIZENS

Mr. PELL. Mr. President, for the past 3 days thousands of our Nation's senior citizens have come to Washington to meet with their elected representatives in Congress. I hereby extend my warmest welcome to those from my own State of Rhode Island, and to all those attending the National Legislative Conference of the Council of Senior Citizens. Because they trust in our system of representa-

tive government, and because they feel that this administration has not given proper priority to their legitimate needs and aspirations, our Nation's elderly have come here in great numbers to ask their Senators and Congressmen to enact legislation, and to appropriate funds so that they can live in dignity and self-respect.

In my opinion, no one group within our country has contributed more to our Nation's strength and progress than its elderly. For most of their lives our elderly have labored to feed, and clothe, and educate their families. They have often done so at great personal sacrifice to themselves. Now, in a time of seemingly uncontrollable inflation and rising prices, this Nation cannot and must not allow its senior citizens, most of whom are forced to live on inadequate fixed incomes, to be denied a decent standard of living.

The 1971 White House Conference on Aging significantly raised the hopes of many of our elderly. The President promised that his administration would respond to the excellent recommendations of the conference. It is sad that this response has come in the form of opposition to, and vetoes of, and cutbacks in essential programs designed to help our senior citizens. What is even more dismaying is that the administration has been less than candid and honest in its treatment of our elderly.

The administration opposed every congressionally initiated increase in social security; Congress then enacted these social security increases in opposition to administration policy; but 1 month before the 1972 Presidential election a printed card with the President's name was sent to over 20 million homes where people were receiving social security checks. Thus, a false implication that the President had supported the social security increase was created. I submit that this administration's credibility crisis is not attributable solely to the Watergate affair. It results from a lack of candor and honesty with the American public.

When it submitted its fiscal year 1974 budget to this Congress, the administration sought, under the guise of eliminating waste in Government spending, to increase the out-of-pocket expenses of senior citizens utilizing medicare. It implied that our elderly were overutilizing medical and hospital facilities. When asked what evidence it had that such overutilization was occurring, the administration was silent.

It is the Congress responsibility to see that Federal legislation and programs, particularly in the areas of social security benefits, health and nursing home care, nutrition, and housing are adequate to meet the needs of our senior citizens. Where there is existing legislative authority, we must work for full and appropriate funding levels. To ask, in the name of economy, that our Nation's elderly be denied the dignity and independence they have earned and merited is, in my opinion, both irresponsible and unwise.

I have already met with, and look forward to further meetings with the members of the Rhode Island Council of Senior Citizens who are here in Washington. I continue to be amazed and gratified by their enthusiasm of spirit, and forcefulness of purpose. Through their efforts and through those of Representative Edward Beard of Cranston, the State legislature has recently enacted, and Governor Philip Noel has signed into law, legislation requiring the State licensing agency to make unannounced inspections of every Rhode Island nursing home at least once every 2 months. That important legislation of this nature was enacted gives our State's senior citizens hope that Government can still be responsive to their legitimate needs and aspirations.

I promise to the senior citizens of my State, and to those in every State, that I will use all of my energies to see that our Nation's commitment to provide for their dignity and well-being will be met.

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY BEGINS HEARINGS ON PETROLEUM SHORTAGE

Mr. GURNEY. Mr. President, today the Subcommittee on Antitrust and Monopoly has begun hearings to investigate the shortages of petroleum products that are presently plaguing the Nation. The subcommittee will be looking into charges that the present shortages are due to some form of anticompetitive misconduct which may violate the antitrust laws of the United States, and it will be taking a close look at the petroleum products industry to determine whether some form of restructuring may be necessary in order best to serve the needs of consumers and a free enterprise economy.

I would like to take this opportunity to bring to the attention of my colleagues the remarks I made at the beginning of today's hearings. I hope this will serve to outline some of the problems facing us in this matter and some of the options available to us. I ask unanimous consent that the statement be printed in the RECORD.

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

While these hearings deal with problems in a particular industry, we should keep in mind the fact that these problems occur in a larger context. Our Nation is experiencing a series of energy supply traumas of dangerous proportions. On the one hand we face unprecedented demands upon our limited energy resources, and on the other, an inadequate coordination and development of Federal energy policies. The results are now painfully evident.

Within the past two weeks southern Florida has suffered five power failures. Homeowners have been asked to restrict simultaneous use of vital household electrical appliances such as ovens and air conditioners.

Of immediate concern to the subject of these hearings is the fact that across the country, 882 retail gasoline dealers have been forced to close their doors. The Office of Emergency Preparedness estimates that another 1,863 are on the verge of doing the same things.

While gasoline shortages will affect everyone, the most tragic impact will be upon the 40,000 small, independent retail dealers. It has been these independent, private brand gasoline marketers which have been a primary source of price competition and marketing innovation in the gasoline industry. Traditionally they have sold gasoline at 3–5 cents per gallon below that charged by the major brand dealers. Last year, the independents accounted for one-fourth of all gasoline sold in the U.S. By offering lower retail prices they saved consumers some $375 million; when one calculates their competitive effect in stimulating their competitors to lower prices, they actually saved the consumer well over ½ billion dollars.

But the independents are in trouble. The price of gas sold by wholesale independent distributors to the independent marketers has skyrocketed from between 10%–33% in the last two months alone. The increased costs have wiped out the price edge the independents used to enjoy over the name brand dealers. Consumers have lost the benefits of lower prices; many dealers have lost the benefits of businesses they struggled to build.

On May 7 I joined the chairman of this committee, Senator HART, and 26 other Senators in signing a letter to the President requesting that he act immediately, using his authority under the economic stabilization act, to save the hundreds of independent gasoline dealers whose supply is being cut off by major oil companies. Knowing that there is an immediate need for allocation of crude oil so it is available on an equitable basis to independent refiners as well as to integrated companies, we asked for an allocation of all petroleum products so independent companies will receive a fair share, based on their historical patterns of usage.

On May 23, the Office of Oil and Gas of the Department of Interior forwarded to the Federal Register guidelines for a new voluntary oil allocation program. These guidelines direct each producer, crude oil buyer, gas plant operator, refiner, marketer, jobber, and distributor to make available, in each State, to each of their customers, the same percentage of their total supply of crude oil, natural gas liquids, liquified petroleum gases, and petroleum products that they had provided during the corresponding quarter of the base period (fourth quarter of 1971 and first three quarters of 1972). The guidelines also establish certain categories of priority uses for whom administrative procedures are expedited.

Last week the Senate passed an important although temporary piece of legislation, S. 1570 which requires that petroleum products be allocated among corporate customers.

The gasoline shortage, however, is by no means our only energy problem. Experts tell us that the end of the age of the fossil fuels is at hand. They predict that the United States may run out of low and moderate cost natural gas, oil and uranium in less than 30 years. Consider the challenge this poses to our country. The U.S., with 6% of the world population uses today 35% of the world's energy; our demand for energy doubles every 15 to 20 years. Today, the average American family uses, each day, 46 pounds of coal, 9½ gallons of oil, 7 gallons of natural gas, and ½ pint of nuclear energy. Between 1970 and 1985, the U.S. will need more oil and gas than we consumed in our entire pre-1970 history.

While the future poses great challenges, we even today have difficulty in developing and marketing the energy resources we have. There are several regions of the country, and peninsular Florida is one of them, which have either marginal capacity reserves of electrical power or insufficiently developed power stations to meet energy requirements. Construction delays have frustrated the completion of new facilities. Environmental groups, pursuing the important goal of making sure that atomic energy plants do not cause unwarranted environmental harm, have successfully enjoined the construction of a number of atomic energy plants across the country. Two vital national policies—the

protection of the environment and the supply of energy, have clashed head on.

I believe that there are some signs of hope on the legislative horizon. In March of this year I cosponsored Senator Jackson's bill, S. 1283, the National Energy Research and Development Act of 1973. In general this bill would establish a national program for research, development and demonstration of fuels and energy technologies and for the coordination of and financial support for Federal energy research and development.

Congress and the administration are marshalling legislative and regulatory solutions of the energy crisis. But I must warn that some of the government's efforts promise to be self defeating.

For instance, Secretary Shultz has proposed to limit tax deductions for the intangible costs of oil and gas drilling. I am disturbed by this proposal and I have so informed the Secretary.

All of us want an equitable, rational tax structure. But we must bear in mind that our tax structure contains incentives for specific economic activities which benefit all of us. By allowing tax deductions for intangible drilling costs the Government reduces investment risks and thereby attracts money to the vital task of searching for new energy sources.

I believe that the facts now available to us concerning the economics involved in exploring and drilling for gas and oil demonstrate that the removal of these tax deductions would tend to discourage domestic drilling operations. If that happens, we may be forced to rely even more heavily upon potentially hostile nations as sources of energy fuels.

But Congress must do more than prevent self-defeating results of current policies and regulations. Among the positive steps to be taken is the passage of legislation which will assure the completion of either the Alaskan or Canadian pipeline. We must bring the rich Alaskan oil to the lower 48 States.

The importance of the issue before us in these hearings should not be obscured by the myriad of other issues involved in the energy crisis. We are here to determine whether or not their are factual bases to the allegations that there are defects in the competitive conduct or structure in the petroleum industry which have kept petroleum products from getting into the marketplace. Some have alleged that major, integrated petroleum companies have deliberately contrived to destroy the independent refiners and marketers and otherwise assure themselves market supremacy. Others allege that the very structure of the petroleum industry itself gives these same companies the ability to dominate or manipulate competitive forces in the industry. In short, we are here to determine whether or not there have been violations of the antitrust laws.

We deal here not just with the vital problem of shortages of supply, soaring prices and the demise of viable competitors. We deal also with a product vital to our national security—a product which literally keeps our country moving.

It is in this context that these hearings assume their importance.

MARIMONT AND FREE ENTERPRISE

Mr. ERVIN. Mr. President, on April 14, 1973, Henredon Furniture Industries, Inc., of Morganton, N.C., officially opened a new wholly owned subsidiary, Marimont Furniture, Inc., near Marion, N.C.

Donnell VanNoppen, honorary chairman of the board and vice-president, Henredon Furniture Industries; Jennings Bryant, personnel director, Henredon Spruce Pine Plant; William E. Smith, president, Marimont Furniture, and vice president, Henredon Furniture Industries; John Collett, president, Henredon Furniture Industries; Glenn A. Morris, Representative from the 41st District in the North Carolina House of Representatives; ROY A. TAYLOR, Representative in the U.S. Congress from the 11th Congressional District of North Carolina; and I participated in the dedicatory services.

Since the dedicatory services marked the 25th anniversary of the founding of Henredon Furniture Industries, President John Collett presented 25th anniversary awards to the following skilled craftsmen, who had been with Henredon Furniture Industries during its entire existence, and who represented an accumulative total of 1,500 years in furniture craftsmanship:

C. D. Anderson, T. Bain Berry, Paul Blanton, Tellis Bollinger, William A. Buff, George Burnette, Norman Burnette, Coy P. Butler, and Robert Butler.

Edgar Carswell, Arthur Causby, Dewey Chapman, Sterling R. Collett, Thelma Conley, Lee Cook, Carl Dale, Jr., Ralph Davis, Ralph Deal, and Paul P. Denton.

Harvey Fletcher, Glenn Fox, Conley Franklin, Herbert Flanklin, J. Harold Green, Glenn O. Greer, John Hildebrand, C. W. Hoyle, Graham Hoyle, Harold Hoyle, Margaret Hoyle, and Cecil Huffman.

Clyde Ingley, Cecil Kincaid, Phifer Kincaid, Albert Kirby, Walter P. Lane, James McGeehan, Jack Miller, and Dan Mitchell.

B. G. Nichols, Charlie Norman, Millard Norman, William Norman, Claude Oxford, Clyde Poteet, Robert Poteet, Charles Powell, and Robert E. Powell.

William, Roper, Joseph Y. Scott, Garland Shuping, Ernest Smith, Leroy Smith, William E. Smith, M. C. Talley, John A. Tate, Donnell VanNoppen, Dewey B. Whisnant, Ned Whisnant, and Sherrill Whisnant.

The dedication of this ultra-modern Marimont plant heralds a new era for Henredon Furniture Industries.

Since the company began production in 1947 with a small group of employees turning out three different furniture pieces, Henredon has consistently and successfully expanded its production to meet a broader and broader range of consumer needs. Now with the addition of Marimont in Marion, North Carolina, the company proudly adds a new dimension to its product line.

A wholly owned and completely autonomous subsidiary, Marimont Furniture, Inc., was founded in 1971 to manufacture medium-priced upholstered furniture for a large, new group of consumers who "want to select furniture today and have it in their homes tomorrow."

Named for Marion and the surrounding Blue Ridge mountains, the Marimont plant is one of the most modern and attractive industrial facilities in North Carolina. The plant, located on a 350 acre site with two natural lakes, has been fully landscaped to preserve the beauty of the area, and all manufacturing operations have been designed to comply with anti-pollution guidelines.

In selecting the site near Marion, Henredon management was not only influenced by the area's natural beauty, but also by the character and industriousness of the citizens who live in the communtiy. Marimont currently employs 150 men and women, and eventually its employment will total 500 people.

Containing 210,000 square feet, the Marimont plant is an operation completely independent of Henredon, with its own lumber storage, dry kiln and frame manufacturing facility as well as its regular upholstery operation. In addition, the building contains offices, a furniture showroom and a modern employee cafeteria.

From a small beginning when three choice occasional chests were the company's only product, Henredon has grown to now produce a complete line of high quality upholstered and wood furniture for the home.

Founded by T. Henry Wilson, Ralph Edwards, Donnell VanNoppen and Sterling R. Collett, Henredon was incorporated as a State of North Carolina Corporation in 1945, and the first factory was constructed one year later in Morganton. During the first few years only bedroom pieces were produced, and then in 1949 dining room pieces started to roll from Henredon's production lines.

In 1957 the Schoonbeck Companies of Grand Rapids, Michigan, and High Point, North Carolina, were acquired, adding a full line of upholstered furniture. Henredon's largest expansion project occurred in 1967 when a 300,000 square foot plant facility was constructed in Spruce Pine, North Carolina, for the manufacture of bedroom and occasional furniture. In only a few years, increased production demands have already required plant additions totalling 150,000 square feet.

Throughout the years, a concern for top quality in design, craftsmanship and materials has guided Henredon's expansion. Although automation has drastically changed many companies in the last few decades, at Henredon much of the furniture-making is still handwork, and the pride of the craftsman is still an important quality among the company's employees.

Known throughout the nation for 25 years under the Henredon Fine Furniture trademark, Henredon has established a reputation for high quality and consequently a proud record of consistently increasing sales. Shipments have grown from $1.75 million in the first fiscal year to more than $34 million in 1972.

The company, which started production with 75 employees, now employs 2,000 men and women in five plant communities. From its original 175,000 square foot building, Henredon has expanded to 10 times that figure and now has more than 1.75 million square feet of space.

Henredon's outstanding growth record has been accompanied by a growing concern for and participation in the company's plant communities. Contributing on a per person employee basis, Henredon has offered substantial aid to the building funds of hospitals in Morganton, High Point and Spruce Pine. The company also maintains a program for matching employee contributions to local United Fund Drives.

In a concerted effort to hire the handicapped, Henredon has developed training programs in conjunction with the Western Carolina Center in Morganton, a state institution for the handicapped. Henredon employees are involved in teaching the handicapped to make items which are then purchased by the company for its production operations.

Henredon's interest in the nation's young people is also evidenced by its support of a number of area youth activities. The company has contributed significantly to local recreational building funds and to Jaycee groups. Its active participation in industrial athletic activities also supports community recreational programs.

Now, as a citizen of Marion, Henredon looks forward to becoming an interested and active participant in this new community.

As the company dedicates this new Marimont plant, Henredon also pays tribute to its past. When Marimont opened its doors in 1972, Henredon Furniture Industries was celebrating the Silver Anniversary of its first furniture shipment. And so it is with great pride today that the company is honoring a total of 60 employees who have contributed 25 or more years of dedicated service to Henredon.

The company's remarkable growth record and its national reputation for excellence are attributed to the commendable character of

its personnel and the outstanding teamwork which has developed over the years. Henredon salutes the past achievements of all employees and with great enthusiasm now embarks upon this exciting new venture in Marion.

I had the privilege of making dedicatory remarks at the opening of Marimont Furniture. I entitled my remarks "Free Enterprise," and asked unanimous consent that a copy of the same be printed in the body of the RECORD.

The PRESIDING OFFICER. There being no objection, the dedicatory remarks were ordered to be printed in the RECORD, as follows:

DEDICATORY REMARKS BY SENATOR SAM J. ERVIN, JR.

I wish to talk to you about free enterprise, which the dictionary defines as "an economic and political doctrine holding that a capitalist economy can regulate itself in a freely competitive market through the relationship of supply and demand with a minimum of governmental intervention and regulation."

Although this definition is accurate, I assign to free enterprise a simpler one. I prefer to call it economic freedom. I do this simply because it is a constituent part of freedom itself.

To value freedom a right, we must be mindful of what it cost. One of its foremost champions, Rudyard Kipling, had this to say about the cost of freedom in his stirring poem entitled "The Old Issue"

All we have of freedom, all we use or know—
This our father bought for us long and long ago
Ancient Right unnoticed as the breath we draw—
Leave to live by no man's leave, underneath the law.
Lance and torch and tumult, steel and grey-goose wing,
Wrenched it, inch and ell and all, slowly from the King.
Till our fathers 'stablished, after bloody years,
How our King is one with us, first among his peers.
So they bought us freedom—not at little cost—
Wherefore must we watch the King, lest our gain be lost.

Economic freedom constitutes a precious part of the heritage we received in trust for ourselves and our children and our children's children from all those men and women, great and small, whose blood, sweat, tears, and prayers made the America we know and love a living reality.

These men and women did not learn economics sitting at the feet of those who promise "abundance for all by robbing Selected Peter to pay Collective Paul."

They acquired their knowledge in the hard school of experience, which is the most dependable of teachers. As a consequence, they had the hardihood to accept the economic truths plainly visible to all human beings who possess both the capacity and the willingness to face reality.

They knew that earth yields nothing to man except the products of his own labor. They knew that Adam's curse is an unchanging and unchangeable law of life: "In the sweat of thy face shalt thou eat bread, til thou return unto the ground."

They knew that man has but one choice in respect to this immutable economic fact, and that such choice is simply this: Whether the bread which he must eat in the sweat of his face shall be the bread of freedom or the bread of bondage.

They knew this unalterable decree of the creator of the universe: Free men cannot be induced to produce things of value unless they are permitted to retain a fair share of the fruits of their labor for themselves, their families, and the causes they hold dear.

They knew, moreover, that man can be free only if he is willing to accept responsibility for his own life.

As the consequence of these things, the valiant folk who made America realized not only that economic freedom is an absolutely necessary attribute of a free society, but also that it most effectively encourages men and women to be self-reliant and to produce goods and services in an abundance sufficient to enable such a society to enjoy the highest standards of living.

To these ends, they established the free enterprise system as the way of life in our land, and wrote into State and Federal constitutions rights to liberty and property to give the system the power to operate with success.

These constitutions secure to each American these rights: To travel when and where he pleases; to use his God-given faculties; to seek useful knowledge; to acquire, possess, use and dispose of property; to earn his livelihood by any lawful calling; to manufacture commodities or provide services; to buy and sell goods; to save and invest his earnings in any lawful undertaking; to enter into contracts for carrying out these activities with profit; and to do the other things essential to the orderly pursuit of happiness.

Let us examine the philosophic base of our free enterprise system.

A rather waggish, but somewhat truthful, commentator suggests that free enterprise rests on the desire of Americans to be men rather than mendicants. He says: "If you want Uncle Sam to take care of you, that's Socialism, but if you want to take care of yourself, that's free enterprise."

The American free enterprise system is founded on these basic beliefs:

The needs of our people are best met by free men freely competing in a free market.

The worth of our country depends on the worth of the individuals residing in it. Consequently, each individual owes to our country as well as to himself and his family the duty to develop and use his faculties and his talents.

There are prerequisites to the performance of this duty. Since freedom means responsibility, the individual must accept responsibility for his own life; and since man is not born to be idle and work is indispensable to the growth of his spirit, he must have a worthwhile task to dignify his days. If he is to develop his abilities and use them with diligence in the performance of his task, he must receive a profitable return for his efforts and be allowed to retain a fair share of it for himself, his family, and the causes he holds dear.

The Gospel according to Matthew informs us that "The tree is known by its fruit."

When it is appraised by this test, American free enterprise manifests its superiority over all other economic systems. I cite a few facts which demonstrate this.

While it contains about 6.7 percent of the world's area and has only 5.7 percent of the world's population, the United States has 46.1 percent of the world's automobiles, 44.1 percent of the world's telephones, 39 percent of the world's radios, 27 percent of the world's railroads, and 60 percent of the world's life insurance.

Moreover, free enterprise enables the United States to enjoy a standard of living so much higher than that of other countries that it consumes 28.3 percent of the world's coffee, 32.5 percent of its tin, 51.7 percent of its rubber, 13.5 percent of its sugar, 24 percent of its silk, 22.1 percent of its coal, 36.6 percent of its pig iron, 31.8 percent of its copper, and 23.7 percent of its petroleum. Besides the United States has more home-owning families than any other land.

To be sure, these are material things. Nevertheless, they constitute an outward sign of the inner grace of a nation, which grants to all economic, political, and religious freedom and thus affords to each the opportunity to become the master of his fate and the captain of his soul.

All Americans should cherish free enterprise and endeavor to preserve it. Unhappily, some do not.

Some exalt government above freedom of the individual, and for that reason would like to have all substantial economic activities controlled by government. Despite their good intentions to the contrary, others would cripple free enterprise by subjecting it to excessive governmental intervention and regulation, or by substituting political planning for individual initiative and supervision.

Existing tax laws confiscate inordinate proportions of the earnings of individuals and in that way threaten the destruction of their incentive to produce.

In addition, far too many disbursements are being made under employment security and welfare laws to drones who are simply too lazy to work and who look to the taxpayers for bread and circuses.

These things imperil free enterprise.

Those of us who esteem it the world's best economic system cannot take its continuance for granted merely because the rights to liberty and property which make it workable are embodied in our constitutions.

Unfortunately, constitutions are not self-executing and cannot save freedom unless love for freedom abides in the hearts of the people.

One of America's wisest sons, the late Judge Learned Hand, expressed this truth in these words:

"I often wonder whether we do not rest our hopes too much upon constitutions, upon law, and upon courts. These are false hopes; believe me, these are false hopes. Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it. While it lies there, it needs no constitution, no law, no court to save it."

Let us pay the price, whatever it may be, to keep love of economic freedom alive in the hearts of men and women of our land. Let us teach them by precept and by example that Trumbull Cheer pictured free enterprise aright in this verse:

"The power to choose the work I do,
To grow and have the larger view,
To know and feel that I am free,
To stand erect, not bow the knee,
To be not chattel of the date,
To be the master of my fate,
To dare, to risk, to lose, to win,
To make my own career begin.
To serve the world in my own way,
To gain in wisdom, day by day,
With hope and zest to climb, to rise,
I call that Private Enterprise."

BEYOND VIETNAM

Mr. BIDEN. Mr. President, for many years Senator CHURCH, of Idaho, has ably articulated apprehensions that many of us have felt toward our massive military commitments in Southeast Asia. He has reportedly exposed the fallacies and false rationales that propelled successive Democratic and Republican Presidential administrations into a quagmire that resulted in an American debacle in Indochina.

On June 6, 1973, Senator CHURCH, a senior member of the Foreign Relations Committee, spoke to the World Affairs Council of Wilmington, Del. In the course of this thoughtful speech he aptly identi-

fied similar attitudes shared by our national security managers and by those responsible for the Watergate scandal:

If it showed commendable realism, "Senator Church asked rhetorically "for the President to circumvent Congress's war and treaty powers in the interests of a war policy he believed to be right, why, in the view of the President's men, was it any less acceptable to sabotage the electoral process, in order to re-elect a President whose policies they believed to be right?

Then, Senator CHURCH said:

It cannot, of course, be proven, but I sense that Watergate could not have happened but for the moral and political perversion generated by Vietnam.

Senator CHURCH also addressed himself to general premises that should govern our relations in two different areas of the world.

There is no "plausible case for prolonging the American military presence in the Asia mainland," he said:

Somewhat like nineteenth century Britain in relation to Europe, our security in relations to Asia depends upon air and sea power, plus the indigenous Asian balance which makes it unlikely that we shall have to use it. It makes sense, therefore, for us to withdraw our forces from the Asian mainland, that is, from Korea and the air bases in Thailand and rely upon a "blue-water" strategy. In this connection, it would also make sense to terminate the moribund and ineffectual SEATO.

As for Europe, Senator CHURCH suggests that—

Even allowing that the cold war is not entirely over, it is evident that Europe has recovered a considerable degree of equilibrium and that the United States, accordingly, can safely reduce its own involvement on the Continent. NATO, however, unlike SEATO, remains important to our national security, partly because our European allies lack a nuclear counterweight to the nuclear power of the Soviet Union . . .

In his speech, Senator CHURCH also ranged over a wide variety of other foreign-policy aspects including the SALT talks.

I think that the summary statement of his speech is his observation that—

We can no longer afford the role of global governor, even if that role were in our interest. We may have to settle for a somewhat less intoxicating role, still first, perhaps, but "first among equals."

Mr. President, I ask unanimous consent that the text of Senator CHURCH's speech be printed in the RECORD:

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

BEYOND VIETNAM

(By Senator FRANK CHURCH)

Americans have traditionally believed in the perfectability, if not the perfection, of human nature, and this belief has had profound influence upon our foreign policy. It has led us to flights of optimism—which Voltaire described as "a mania for maintaining that all is well when things are going badly." It has led us to believe that we could regenerate mankind, either by crusades for democracy as in certain of our wars, or by the force of virtuous example as in our long era of isolationism. Believing in man's goodness and rationality, we are constantly shocked by instances of human malice and irrationality, and the shock sends us into a tailspin, from heights of optimism to depths of despair. If man is not rational and virtuous, then, we have tended to conclude, he must be ignorant and corrupt. If his condition is not one of grace, then it must be, as Hobbes said, "a condition of war of everyone against everyone."

The dangers of this erratic outlook are obvious. Excessive optimism caused us to expect too much of otherwise sound experiments such as the League of Nations and the United Nations; when they failed to remake the world, as they were bound to fail, we dismissed these world bodies with disillusion and contempt, refusing to put them to the limited, practical uses of which they remained quite capable. Worse still, as the Pentagon papers showed, our policy makers seemed to conclude from the experience of the cold war that if they had to live in a Hobbesian world, they would be the most relentless Hobbesians of all, the most skillful tacticians in the "war of everyone against everyone." The architects of the Vietnam war took a kind of ostentatious pride in their surgical use of force—in the bombing assault throughout Indochina, in scientific-sounding strategies such as "search-and-destroy," "protective reaction," and the sordid "Phoenix" program of political assassination. If Vietnam shows anything about the American character, it is that excessive idealism all too readily collapses into unbridled cynicism.

Now, under the Nixon Administration, we have come full circle. If "dirty tricks" were acceptable in foreign policy, why, in the view of the White House Chiefs-of-staff, were they any less so in domestic affairs? If it showed commendable realism for the President to circumvent Congress's war and treaty powers in the interests of a war policy he believed to be right, why, in the view of the President's men, was it any less acceptable to sabotage the electoral process, in order to re-elect a President whose policies they believed to be right? It cannot, of course, be proven, but I sense that Watergate could not have happened but for the moral and political perversion generated by Vietnam. Once again, we encounter proof of Alexis de-Tocqueville's maxim: "All those who seek to destroy the freedom of the democratic nations must know that war is the surest and shortest means to accomplish this. That is the very first axiom of their science."

1. ENDING THE WAR

Building on Tocqueville's wisdom, we must now proceed, as the "very first axiom" of our foreign policy, with the necessity for ending Nixon's lingering war in Indochina. We had supposed that it *was* over when the Paris peace agreement was signed on January 23 and the President proclaimed the achievement of "peace with honor." Since that time, it has become evident that the war is by no means over, as far as the contending Vietnamese factions are concerned, and that the United States is not yet extricated from the quagmire. Although our troops have been withdrawn and our prisoners returned, the Nixon Administration is recruiting eight to ten thousand of American civilian technicians and advisors, many under Defense Department contracts, to stay on in South Vietnam and work with the South Vietnamese Army. Four American consulates general will replace the United States Military Headquarters, and a thousand AID personnel will remain to administer aid programs to bolster the Thieu regime. American B–52's continue their pulverizing bombing raids in Cambodia, where no cease-fire has been signed, and American aircraft remain on offshore carriers and at bases in Thailand, poised to re-enter the war in Vietnam itself whenever the President should give the order—that is, unless Congress takes action to remove the fateful decision from the sole discretion of the President.

It seems likely that Congress at long last is going to do exactly that.

On May 10, the House of Representatives, for the first time, voted against the war by denying the President authority to transfer certain funds for the bombing of Cambodia—which, incidentally, cost the taxpayers some $160-million from the signing of the Paris peace agreement last January to the end of April, according to Defense Department figures. Then on May 15, the Senate Appropriations Committee—whose membership includes many erstwhile hawks—voted 24 to 0 to cut off all funds for further American military action in Laos and Cambodia.

It seems unlikely that the denial of the transfer authority alone will persuade the Administration to stop the bombing of Cambodia. With an imperviousness that ill becomes the present White House, the President's press secretary said, after the vote in the House of Representatives, "We will continue with a policy that is the right policy—to provide support for the Cambodian Government at its request." Fortunately, we live under a government of law in which questions of "right policy" are decided by constitutional processes rather than by executive fiat, so that even though the President may think it "right" to continue his war policy, Congress, judging otherwise, can nonetheless stop the war by cutting off the funds. I do not think the Nixon Administration would wish to precipitate the constitutional crisis which would surely ensue if it were to defy Congress. Mr. Richardson has assured us that "the Administration would not proceed in defiance of any clear-cut Congressional action."

Surely, after Vietnam and Watergate, we have had enough of high government officials taking the law into their own hands because they believed that some policy was the "right" policy, or that one candidate was the "right" candidate. In a government of laws, an office-holder is bound to something more important than belief in his own rightness, and that is the constant, active, vivid awareness that he may be wrong. Back in 1921, Charles G. Dawes, upon becoming the first Director of the White House Budget Bureau, made the point as follows: "Much as we love the President," Mr. Dawes said, "if Congress, in its omnipotence over appropriations and in accordance with its authority over policy, passed a law that garbage should be put on the White House steps, it would be our regrettable duty as a bureau—in an impartial, non-political and nonpartisan way—to advise the executive and Congress as to how the largest amount of garbage could be spread, in the most expeditious and economical manner." Or, in the more solemn but no less cogent words of Daniel Webster, "Whatever government is not a government of laws is a despotism, let it be called what it may."

What has brought Congress to its present mood of decisiveness? Partly, I have no doubt, it is the Watergate, with its demonstration of executive fallibility. Partly, too, as Senator Saxbe of Ohio recently commented, the American people are "fed up" with lingering war, and with the "callousness for civilians" of our bombing of Cambodia. And perhaps most important of all, the American people and their representatives in Congress have recognized that, with our troops withdrawn and our prisoners repatriated, we have no further interest—no stake involving the safety or welfare of the American people—in the civil conflicts of Indochina.

In my opinion, we never did, but that is water over the dam. The crucial question now is our continuing involvement in Cambodia, where massive B–52 bombing raids are being used in a desperate attempt to keep the feeble Lon Nol regime from going under to the Khmer Rouge rebels, who, it is generally admitted, are now fighting their own war, with only marginal assistance from the North Vietnamese.

No one knows how many civilians are being killed by Mr. Nixon's bombing raids. The maps used by the United States Embassy in Phnom Penh to plot target areas are several years old; Embassy officials admit that they do not have current photography of proposed target areas which would permit the identification of new or relocated villages. A relief official has estimated that at least 3,000 civilians were killed in three weeks in March—but, he added, it could have been 10,000. Other relief officials report that some 10,000 people have fled from their villages and swarmed into shanty towns around Phnom Penh since the intensified bombing began in early March. One young woman in a refugee camp told a reporter of nights of hiding in a deep bunker in her village, 18 miles east of Phnom Penh. "When everything seemed to explode inside me," she said, "and when the noise was so loud that I couldn't hear if I was screaming or not, I knew the Americans had come." [1]

Indefensible in human terms, this savage bombing is no less so in terms of our national interest—which is to say, in terms of the security and welfare of the American people. Indeed, the bombing makes no sense in the framework of President Nixon's own second inaugural address, when he said: "The time has passed when America will make every other nation's conflict our own, or make every other nation's future our responsibility, or presume to tell the people of other nations how to manage their own affairs."

The essential point is that it simply does not matter very much, from the standpoint of American interests, which of the contending factions wins power in Cambodia, Laos or South Vietnam. "Peace with honor" notwithstanding, the Paris peace agreement seemed to acknowledge that American involvement in Indochina had been a tragic mistake. The agreement served to fulfill the only valid interest we have had in Indochina: the extrication of our troops and the return of our prisoners.

But it now appears that President Nixon and Dr. Kissinger acted on a different set of assumptions, and that the peace agreement may have been based on a fundamental misunderstanding between the two sides. To the North Vietnamese, the elaborate and unwieldy apparatus devised at Paris may never have represented anything but a facade for what Mr. Kissinger once derisively referred to as an "elegant bugout." It seems likely, too, that the North Vietnamese believed that President Nixon and Dr. Kissinger had come to share this conception, and were now prepared to leave the civil conflicts of Vietnam, Laos and Cambodia to be worked out—or fought out—by the Indochinese peoples themselves. Although Mr. Kissinger, himself, has acknowledged that the purpose of the Paris accord was to end American military involvement in southeast Asia, it now appears that the Nixon Administration has something more in mind, that is, the retention of American client regimes in Vietnam, Laos and Cambodia. That, of course, was the objective of the Johnson Administration in escalating the Vietnam war.

The Paris peace agreement is filled with ambiguities, and that is no accident. Vagaries allowed the United States to extricate itself, even though the basic issues of the war were left unresolved. Secretary of State Rogers admitted to the Senate in February that, if the negotiators had insisted on eliminating the ambiguities, "we never would have had a cease-fire agreement." The essential facts are that the conflict goes on in Indochina; that both sides are violating the truce agreement and probably always intended to; and that the United States should count itself well out of the quagmire and terminate, at once, the dangerous policy of lingering involvement in Cambodia.

If the President is not prepared to do this, the Congress can and should, by withholding further funds for bombing. It can do so, too, by withholding its consent from the ill-considered plan for "buying" North Vietnamese compliance with the peace agreement with American aid. It demeans the United States to pay a ransom to an erstwhile enemy to get it to comply with an unrealistic and unenforceable agreement. If Congress makes the mistake of funding the unilateral aid program that the President demands, we will remain deeply and directly involved in the political and economic affairs of Indochina for years to come. In that posture, we are much more likely to become ensnared in the war again, should the fighting be resumed.

For my own part, I am not greatly distressed by the prospect of an ambiguous, inconclusive, outcome to our long, futile war in Indochina. I do not care much for flagellation or for accusations of "war guilt" against the policy makers who took us into Vietnam. But neither am I impressed with hollow boasts of "peace with honor," especially since, if acted upon, these could well carry us back into the quagmire. I believe, instead, that the American people are mature enough to recognize a mistake, and intelligent enough to profit from it. Frederick the Great, at the end of one of his many wars, spoke these words, which could serve as an epitaph for our own involvement in Indochina: "And so our campaigning is over, and nothing has come of it for either side but the loss of many an honest fellow, the distress of many a poor soldier crippled for life, and the ruin of several provinces."

II. NEW DIMENSIONS OF SECURITY

With Vietnam behind us—once it is behind us—we can usefully turn our thoughts to the broad world beyond. Great changes have taken place during the years of our preoccupation with southeast Asia—changes which have radically altered America's political and economic position in the world.

In Asia itself, and indigenous balance of power has emerged. China, Japan and the Soviet Union, with their varying components of military and economic power, are in a kind of rough equilibrium, with each acting as a restraining force on the others. Even if China were interested in establishing her military domination over Indochina and the rest of southeast Asia—always a doubtful proposition—it is scarcely conceivable that she would risk such a military adventure with a large, menacing Soviet force at her back. The Soviet Union, in turn, is restrained, both in southeast Asia and as to China itself, by China's detente with the United States, and by the prospect of Japanese support—economic if not political and military—for an endangered China. Japan, for its part, though shielded by its security treaty with the United States, could expect Chinese support against the Russians or Russian support against the Chinese, should either threaten Japanese interests. Japan also derives leverage from the likelihood that any threat to her vital interests would cause her to become a formidable nuclear power. The very implausibility of all these hypothetical threats is indicative of the comparative stability of the new Asian balance-of-power.

In such a power context, there is no plausible case for prolonging the American military presence on the Asian mainland. Somewhat like nineteenth century Britain in relation to Europe, our security in relation to Asia depends upon air and sea power, plus the indigenous Asian balance which makes it unlikely that we shall have to use it. It makes sense, therefore, for us to withdraw our forces from the Asian mainland, that is, from Korea and the air bases in Thailand and rely upon a "bluewater" strategy. In this connection, it would also make sense to terminate the moribund and ineffectual SEATO. For this purpose, I have offered an amendment to the pending State Department authorization bill which would terminate American contributions to the funding of the SEATO headquarters in Bangkok.

In Europe, as well as Asia, great and promising changes have taken place affecting the security of the United States. The most important of these is the success of Chancellor Willy Brandt's *ostpolitik*, capped by Chairman Brezhnev's recent visit to Bonn where he proclaimed in effect, the end of the cold war in Europe. The essential meaning of West Germany's treaties of nonaggression with the Soviet Union and Poland, its acceptance *de facto* of East Germany as a separate state, and the conclusion of the 1972 Berlin agreement is that West Germany has reconciled itself to the outcome and consequences of the Second World War. The Soviet-German rapprochement has, for the present, at least, eliminated the central European issue of the cold war. the division of Germany. This greatly alters the position of the United States in Europe.

It has always been cardinal to American security to prevent the domination of Europe by a single great power. Throughout the 19th Century, we never had to act upon that interest because Europe was for the most part at peace, the European balance-of-power was fairly stable, and the British fleet served as something of a shield for the United States as well as for Great Britain. It was only when the European balance broke down, in the two world wars, that the United States found it necessary to intervene militarily to prevent German domination of the continent. Then, after the Second World War, when it appeared that Stalin's Soviet Union might establish its domination over the shattered continent, the United States once again, properly and necessarily, intervened, with the Marshall Plan and the NATO Alliance. These contributed decisively to the restoration of Western Europe economic strength and political stability, and these in turn made possible the East-West reconciliation which brought Mr. Brezhnev to declare in Bonn that the Soviet Union had decided to "implement a radical turn toward detente and peace."

Even discounting the exaggerations of such rhetoric, even allowing that the cold war is not entirely over, it is evident that Europe has recovered a considerable degree of equilibrium and that the United States, accordingly, can safely reduce its own involvement on the continent. NATO, however, unlike SEATO, remains important to our national security, partly because our European allies lack a nuclear counterweight to the nuclear power of the Soviet Union, but also because our close cultural and historical ties give us what has been called a "greater-than-physical" security interest in Western Europe. What this means is that, even though we might survive a Soviet takeover of Western Europe behind our nuclear shield, the world would then become a bleak and inhospitable environment for American values and political ideas. It may be said, therefore, that we have a special stake, a "greater-than-physical" security interest, in the survival and well-being of the European democracies.

It does not follow that we need to maintain 315,000 American troops in Europe, together with their wives and children, in order to honor our NATO commitment. When American forces were first assigned to NATO in 1951, Europe was still enfeebled by the effects of World War II, and an invasion by Stalin's armies, though not likely, was a plausible danger. Now that Europe is politically stable and economically powerful, and now that the division of Germany has been effectively eliminated as a cold war issue, it makes no sense to maintain in

[1] Sylvana Foa, "Bombs Take Civilian Toll," Washington *Star* April 1, 1973.

Europe anything more than an "earnest money" American ground force, signifying our continuing fidelity to NATO and the availability of American nuclear power for the defense of Europe.

Thus far, however, Congress has been persuaded to retain our present force level in the belief that our troops may serve as "bargaining chips" for reciprocal Soviet withdrawal from Eastern Europe. Swayed by the Administration's argument for "mutual and balanced force reductions," the Senate, in 1971, twice defeated proposals for troop reduction. In May, 1972, an agreement was reached with the Russians to proceed with troop reduction talks, and these talks began in February, 1973. In due course, if the talks get nowhere, Congress will have to decide whether it wishes to retain these high force levels in Europe, even though they are superfluous to our defense and highly detrimental to our balance-of-payments.

Only very gradually and grudgingly are our leaders coming to recognize that the whole concept of "national security" has taken on a new meaning, that traditional concepts of troop deployment are largely obsolete, that strategy itself must be conceived in a new dimension. The Moscow agreement of May, 1972, limiting the Soviet Union and the United States to no more than two anti-ballistic missile sites each was more than an arms limitation agreement. It signified the abandonment by each side of any further hope of making itself invulnerable to nuclear attack; it was an agreement, in effect, to gain security by serving as each other's hostages. Basing their security on mutual deterrence, the two superpowers are thereby committing themselves to peaceful coexistence and reconciling themselves to the survival of each other's power and ideology. The broader meaning of the SALT agreement, limiting the deployment of offensive weapons as well as the ABM sites, is that the Soviets, in effect, have abandoned the Marxian dream of a world communized by war, while we, in turn, have repudiated Mr. Dulles' dream of "liberating" the Communist world.

Having committed themselves in principle to peaceful coexistence, the Soviet Union and the United States are now inching forward toward further arms limitations in what is called "SALT II." As in the past, however, both sides have been determined to conduct the negotiations with maximum "bargaining chips"—which means, of course, an acceleration of the arms race pending agreements to limit it. In the wake of the 1972 agreement, the Nixon Administration accelerated its program for the development of the Trident ballistic missile submarine, the new B-1 supersonic bomber to replace the giant B-52, and other offensive weapons not covered by the 1972 interim agreement. The results of the "bargaining chip" approach are, therefore, likely to be self-defeating as well as costly, with both sides ending up in the absurd position of having built mighty new weapons systems for no other purpose than to bargain them away. When agreements are finally reached, they may well be at a higher level of armaments on both sides than would have been the case if no agreement had been sought in the first place.

Despite the logic of the ABM treaty, both sides pursue the chimera of "parity." As President Nixon has put it, "Let us be sure that he [the President] never goes to the negotiating table representing the second strongest nation in the world." This sounds fine, but the trouble is that the Russians are no more willing than we to be "second strongest," and each side's idea of "parity" is perceived by the other as a bid for primacy. It is precisely for the purpose of achieving "parity" with the United States that the Soviets have been rapidly building up their strategic and naval forces over the last ten years. That build-up, in turn, has persuaded our own generals and admirals that we were about to be reduced to "number two." The result, despite SALT, has been a continuing, enormously costly, and futile arms race, with each side acquiring a huge "overkill" capacity.

With or without an intensified arms race, the balance of nuclear terror seems likely to remain fairly stable, with each side in the position of hostage to the other. This mutuality of fear is the basis of our security, and tenuous though it is, it is all we can hope for in the foreseeable future. This being the case, there is everything to be said for maintaining the balance at a lower, rather than a higher, level of costs and aramaments.

Since World War II, the United States has spent about $1.3 trillion and the Soviets an estimated $1 trillion on arms, at enormous sacrifice to their domestic needs. There are indications that significant new arms limitation agreements will be announced when Mr. Brezhnev visits Washington later this month, and these would be most welcome. Nonetheless, the arms race goes on, consuming money and resources without really contributing to national security, because higher or lower, the strategic balance remains roughly the same. The central fact remains—especially since the ABM treaty—that at any level of armaments our security will still rest upon mutuality of fear, upon the recognition, as put by Albert Einstein whose formula made the nuclear bomb possible, that "at the end, looming ever clearer, lies general annihilation."

In its new, nuclear dimension, our national security is far less dependent than it used to be upon alliances and the balance of power. Prior to the nuclear age, it was all but impossible for a single nation to acquire a sufficiency—much less a surplus—of deterrent power. Today, harboring a nuclear force with which we could destroy any foreign nation or combination of nations that might threaten us, we are in a quite different position. Our allies remain important to us for economic and political reasons, for reasons, that is, of our "greater-than-physical" security, but not for survival itself. As Professor Robert W. Tucker of Johns Hopkins has put it, "In a system governed by a balance of deterrent nuclear power . . . the fears of isolation and vulnerability to attack are no longer synonymous." [2]

At the same time that our military security has been relatively stabilized by the nuclear balance, our economic position—so vital to our "greater-than-physical" security—has become dangerously weakened, largely because of our extravagant foreign expenditures. President Nixon's declaration of emergency economic measures on August 15, 1971—the suspension of the dollar's convertibility into gold and imposition of an import surcharge—marked the end of the era of American economic predominance, in which the dollar had virtually sustained the international economic system. Burdened with heavy war and defense costs, high unemployment, a stubborn inflation, a deteriorating position in international trade, and consequent huge increase in balance-of-payments deficits which were already chronic, the United States encountered, in the monetary crisis of 1971, what has been called an "economic Vietnam." [3]

From the days of Lend-Lease in World War II until recently, the United States had held a position of hegemony in the world economy. Our gross national product doubled during World War II while other nations' economies were being devastated. Immediately after World War II, the United States was producing almost half the world's output, and the international monetary system devised at Bretton Woods reflected the predominance of the dollar. The United States thereafter exercised a political and military predominance in world affairs commensurate with its economic supremacy. The Marshall Plan, the rearmament of ourselves and of our allies, worldwide foreign aid, the fantastic space program, the Korean and Vietnam wars, were all part of a spending spree that knew no limits. Only in the last few years—and most dramatically in the dollar crisis of 1971—had it been brought home to us that we have been living beyond our means, living indeed with an extravagance that threatens to undermine our national solvency.

By contrast with the deteriorating economic position of the United States, that of Western Europe and Japan has been characterized by general prosperity, balance-of-payments surpluses, strong trade positions, and low defense costs. Indeed, the gap between their productive capacities and our own has been narrowing steadily. Until the mid-1960's, our trade balance with Japan was traditionally in surplus; since the mid-sixties it has been in large and growing deficit, with the Japanese holding a competitive advantage over us in electronics, steel, automobiles, heavy chemicals and shipbuilding.

All of which is by way of pointing out that we can no longer afford the role of global governor, even if that role were in our interest. We may have to settle for a somewhat less intoxicating role, still first, perhaps, but "first among equals."

This necessity is reinforced by the energy crisis, which is going to make us increasingly dependent on foreign oil imports for the next decade or more. In the long term, even the vast oil reserves of the Middle East will be exhausted, and we shall have to resort to alternate energy sources such as oil extracted from shale, gas extracted from coal, solar and thermal energy, nuclear fission and, eventually, nuclear fusion. All of these will require long and costly development efforts. In the meantime, with no spare oil production capacity of our own, we will have to expend large and growing sums on imported oil, primarily from the Middle East, where at least 300-billion of the 500-billion barrels of proven oil reserves of the non-communist world are located. The phenomenal development of the American economy during the 19th Century and the first half of the 20th Century was based, in large part, on the availability of cheap and abundant energy from within our own borders. Now, pending the development of exotic new sources such as nuclear fusion, we have become a fuel-deficient nation, and that is one more reason why we are going to have to bring our military and political ambitions back into balance with our economic means.

We must learn to think of national security in all of its various dimensions. When a nation's run-away foreign expenditures sap its domestic strength, that nation is reaching for one form of illusory security at the cost of another, real and more fundamental one. When, as in Indochina, an extravagant military venture is not only costly but irrelevant to our defense and divisive and disruptive at home, our security is diminished in all of its dimensions. Over the last thirty years, the United States has expended its major energies on the foreign military and political aspects of national security. At first, this was the result of necessity, but gradually necessity gave way to habit, pride, and even arrogance. The resulting imbalance, as we have seen, has weakened our economy and our national morale.

The latter is perhaps most important of all. As I said at the start, I doubt that Watergate could have happened but for the moral and political perversion created by Vietnam. Restoring a climate of health and honesty is, at this juncture, the first requirement of

[2] *A New Isolationism*, Robert W. Tucker, (Universe Books, New York: 1972), p. 54 ff.

[3] Michael Mandelbaum and Daniel Yergin, "Balancing the Power." *Yale Review*, March, 1973.

our security and national well-being. In a world of nuclear weapons and interlocking economies, there can be no such thing as an isolated America. But neither can we afford to allow our involvement with the outside world to isolate our leaders from their own people and from the traditional values of American society. That is exactly what we have witnessed in recent years. In the service of a peculiar conception of national security, people at the apex of power have attempted to manipulate and circumvent the processes of American democracy. What a tragic irony it would be—although not unknown in human history—if, through our own efforts to defend our way of life from those who have threatened it from abroad, we were to destroy it ourselves.

I do not think that is going to happen. The very fact that occurrences such as the Vietnam war and the Watergate call forth intense and widespread indignation is itself reassuring of our democracy. However grudgingly and belatedly, our leaders are accepting the necessity of ending our involvement in Indochina. And in the wake of the Ervin hearings, the resignations and the indictments, I doubt very much that anyone will soon again be tempted to organize a conspiracy to sabotage a national election campaign. We show the strength of our democratic values by the difficulty we have in betraying them.

Dismayed though we have been in recent days, we still have much to be proud of. It is even possible that we will emerge from our current disillusion with renewed idealism—not the soaring idealism which bred in us the illusion of a divine mandate to set the world right, but rather a chastened, realistic, non-perfectionist idealism which will enable us to strike a balance between our highest aspirations and our human limitations.

RETIREMENT OF COL. GEORGE L. J. DALFERES

Mr. LONG. Mr. President, a fellow Louisianian and close friend, Col. George L. J. Dalferes, has retired after 25 distinguished years of service to his country. Congress relationship with the Department of Defense will be diminished by his departure.

Colonel Dalferes finished his career in the Army and Air Force as Deputy Assistant Secretary of Defense for Legislative Affairs. In simple language, of course, that meant that he dealt closely with Senators and Representatives and their offices on matters of mutual interest.

The low-key manner in which Colonel Dalferes handled these sensitive duties should be emulated by his successors. I can personally attest to his forthrightness in providing information and his understanding of the legislative process in working with me and my office. Whenever I needed help, Colonel Dalferes worked tirelessly. Whenever the information was not the most optimistic, he always said so with complete candor and understanding.

Mr. President, the distinguished career of Colonel Dalferes began in the Army as an infantry officer during World War II, after he was graduated from Louisiana State University in 1943. He returned to LSU to study law, earning his degree in 1949, and continued his pursuit of knowledge by winning a master of law degree in 1965 from Georgetown University.

During the 1950's Colonel Dalferes was an aide to the late Lt. Gen. Frank A. Armstrong, who was commander of the 2d Air Force at Barksdale Air Force Base in Bossier City, La., and later commander of the Alaskan Command. General Armstrong's experiences during World War II were the basis for the book, movie, and television series, "12 O'clock High."

When he was recalled to active duty during the Korean conflict in 1951, Colonel Dalferes was a resident of Shreveport, La., which he still considers his home. But it was during his law studies at LSU in 1948 that I first came to know him when I was the judge for Colonel Dalferes' first moot court case. I was a practicing attorney at the time in Baton Rouge, just prior to my first successful campaign for the U.S. Senate. I might suggest that Colonel Dalferes undoubtedly won that moot court case, because he had a good and impartial judge hearing it.

I am happy that Colonel Dalferes will continue to reside and work in the Washington area, so that his knowledge and insight into Government will continue to be of use to his country. I know that all my colleagues will want to join me in wishing George and his family the very best in the future.

BILINGUAL PROGRAM FOR INNER-CITY CHILDREN

Mr. MONTOYA. Mr. President, it is becoming increasingly clear to educators that the schools which offer education to many minority children are not succeeding in preparing them for the world in which they must compete as children today and as adult tomorrow. The most serious problem for these children has always been to find ways to communicate. Learning is not possible without communication.

In addition to the "special" communication problems of minority children which result from cultural and social differences, the problem for many Spanish-speaking children is compounded by their need to become bilingual in a monolingual school and society. Fortunately, research in education is beginning to indicate the difficulties which these children face in unresponsive school systems, and the great advantages which might be developed for all children if bilingual educational opportunities were developed in new and expanded programs.

I have recently read about one such program which is in operation on an experimental basis in Los Angeles and Philadelphia. I believe this program is of interest to all of us who are anxious to improve the educational opportunities of American children.

Mr. President, for that reason I ask unanimous consent that the following article be printed in the RECORD: "Bilingual Program Excites Innercity Users," by Angela Smith, from D. & R. Report, volume 2, No. 5, June 1973—a periodical of the Council for Educational Development and Research.

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

BILINGUAL PROGRAM EXCITES INNER CITY USERS

(By Angela Smith)

A building program is going on in Los Angeles and Philadelphia that's more far reaching than any skyscraper or high-rise apartment complex. Instead of concrete and glass, the building materials are minds of children and their educators.

The program, a Follow Through Model, is being implemented in Philadelphia and Los Angeles by the Southwest Educational Development Laboratory of Austin, Texas. The model builds skills in different learning areas such as vocabulary and reading; it builds self-concept; and, as a bonus, it builds better human relations.

Administrators, teachers, aides, parents, and the youngsters themselves testify to its success.

Because of the bilingual program, some of Philadelphia's Puerto Rican parents are becoming more interested in taking English lessons. And some black parents are starting to take Spanish lessons.

Members of the Chicano community in Los Angeles are pushing the program because it promotes the Mexican American language and culture.

Parents in Los Angeles are becoming more actively involved in their children's education. Some parents, paid to work in the classroom, agree to work an equal number of volunteer hours as well. Several other parents volunteer hours each month to work with Follow Through.

Philadelphia parents are saying that their children who have participated in the program are doing much better in school than older children who did not.

In both cities, more time is being spent teaching Spanish. And aides like the program because they are more involved in the actual teaching.

THREE PROGRAMS INCLUDED

The Laboratory's Follow Through model incorporates three programs: Language Development and Reading, Bilingual Kindergarten, and Social Education. Children from kindergarten through grade 3 form the target population. Major emphasis is on a bilingual method (Spanish-English) advantageous for native Spanish-speaking children and also useful for children whose native language is English.

The bilingual program provides instructional and staff development materials for children and teachers in kindergarten through grade 3. Curriculum materials stress the communication skills—listening, speaking, reading, and writing—in Spanish and English. Subject content is used to provide experiential knowledge for developing descriptive language skills. The social sciences receive the greatest emphasis; in addition, some science and mathematics materials are used.

The staff development component provides teachers with the knowledge to diagnose each child's skills and concept level and thus determine the child's placement in large and small groups.

In training sessions, teachers are made aware of problems *Spanish-speaking* children have in learning to speak a different language—problems such as auditory discrimination, mouth-muscle tone, word order, breath control, etc. Teachers learn how to help the children to overcome these difficulties so that they will develop a better self-concept and be able to communicate, comprehend, and read.

PARENTS' ROLE SIGNIFICANT

Realizing that the role of the parents is significant, the kindergarten-level program contains curriculum-related activities for parents to use with their children at home. For the primary grades, the program contains suggestions for activities, meetings, and classroom participation for the parents.

Carol Kawakami, project coordinator in Los Angeles, says she likes the program because of its oral language approach and because it is easy to adapt and use with other materials.

Flossie Allen, Follow Through liaison in Philadelphia, says SEDL's program efforts are "tremendous in terms of raising self-concept." In her words: "The Spanish-speaking child feels more comfortable in the classroom because the instruction he receives is in Spanish from a native Spanish-speaker. For the English-speaker, the program offers a chance to learn a second language and this raises his self-concept. The bicultural experience is invaluable."

Ms. Allen says the program also has raised the self-concept of aides. For the first time aides are actively involved in teaching. With aides actually instructing, the teacher-pupil ratio is reduced and Spanish instruction is guaranteed.

Ms. Allen also likes the program because it builds on the child's experience and promotes interaction in the classroom. "Children are more alert and verbal as a result of being in the program. It's not just 'sit down and read.' "

Various components that constitute the Laboratory's Follow Through Model are either commercially available or are within a field-test cycle.

Available commercially are English Kindergarten; Bilingual Kindergarten; Social Education Grade 1; Social Education Grade 2; and Social Education Grade 3. Information about their materials and cost is available.

Information about materials still under development, including a report of the Follow Through Model, also is available.

Circle the Reader Service Card Number 5 on the postcard insert or on the back cover.

TEACHING OF SPANISH APPEARS UNHARMFUL TO ENGLISH MASTERY

In recent years linguists and language teachers have been concerned with several hypotheses about the role of errors in the process of learning a second language.

Among these are the hypotheses that interference from the mother tongues is the major source of error in foreign-language learning; that errors are a valuable source of information about the learning process; and that errors may be a step in the learning process rather than an evil to be avoided at all costs.

A recent study at the Stanford Center for Research and Development in Teaching, using speech samples from 67 Mexican American children attending a monolingual (regular) school and 59 attending a bilingual school, had three purposes:

To provide data of potential use in further language-error analyses and studies of the causes of error in language acquisition.

To provide specific data helpful in constructing both teaching materials and proficiency tests for use in teaching English to Mexican American children

To determine whether bilingual and monolingual schooling have differential effects on the number or patterning of errors.

A main finding of the study, conducted by R. L. Politzer and A. G. Ramirez, is that the causes of errors, or deviations from standard English, appeared to include the expected interference of Spanish, the improper application of the rules of standard English, and the influence of nonstandard English dialects.

Another finding is that the extent of deviations from standard English did not differ significantly between the children in the bilingual school and those in the monolingual school.

This latter finding is important since a separate study by the same authors demonstrated that bilingual education and the use of Spanish in school had certain positive effects on Mexican American children's attitudes toward Spanish and toward their Mexican American background.

According to the authors, the present study "indicates that there is no reason to fear that these positive effects may have been achieved at the expense of the children's progress in learning spoken English."

Single complimentary copies of a Center R & D Memorandum, "An Error Analysis of the Spoken English of Mexican American Pupils in a Bilingual School and a Monolingual School," are available in limited supply.

Circle the Reader Service Card Number 6 on the postcard insert or on the back cover.

PUPILS' INTEREST RISES WHEN LEARNING TASKS OCCUR IN SMALL GROUPS

Teaching students in small groups or in dyadic (teacher and single student) situations rather than in large groups is the most significant factor in arousing students' interest and attention, according to a recent study at the Stanford R & D Center.

The study, conducted by the Center's Program on Teaching Students from Low-Income Areas, intended to compare the effects of various teacher classroom strategies on the level of students' "engagement" in the classroom.

The first phase of the study was carried out with twenty-four, third- and fourth-grade teachers and their students in nine low-income area schools. Ten hours of observation data were collected simultaneously for each teacher and for a sample of students from each classroom.

There were large differences in the level and mode (receptive or expressive) of engagement among classrooms. The frequency of strategy use varied among teachers and for individual teachers from one observation round to another.

The mean percentage of students who demonstrated engagement rose significantly during the year. There were no significant differences in level or type of engagement by sex or ethnicity of student or by subject matter.

The most important finding was that the level of student engagement differed significantly by size of instructional group, with lower engagement levels for large groups than for small or dyadic groups. By contrast, the level of student engagement in the classroom was not clearly related to the use of particular strategies.

The research team, directed by Robert D. Hess, has reformulated its conceptualization of the sources of variation in student engagement in the classroom. The current research will emphasize comparisons between self-contained and open classrooms and other structural and organizational features of the classroom.

Single complimentary copies of a Center R & D Memorandum, "Teacher Strategies and Student Engagement in Low-Income Area Schools," are available in limited supply.

Circle the Reader Service Card Number 7 on the postcard insert or on the back cover.

BLACK STANDARD ENGLISH LINKED TO READING ABILITY

As part of his ongoing work in bilingual education at the Stanford Center for Research and Development in Teaching, Robert L. Politzer and his colleagues have developed a preliminary version of a test of proficiency in both black standard and nonstandard spoken English.

"Black standard English" is defined by specialists as English that follows most of the grammatical rules of standard English but is "marked" or recognized as black by certain pronunciation features.

Previous studies have shown a significant correlation between children's reading ability and their awareness of the differences between standard and nonstandard patterns. Studies also indicate that children who speak black nonstandard English often will transform standard English to nonstandard English in a repetition task. The present study was intended to help determine to what extent productive ability in standard or nonstandard black English was related to reading ability scores.

Kindergarten children were asked to repeat, in both black standard and black nonstandard English, sentences contained in two similar stories tape-recorded by a bidialectal speaker. Accuracy of repetition was scored and a "balance score" measured any dominance of nonstandard over standard black spoken English.

Mean scores indicated a general balance in performance between the two sections of standard section correlated positively and significantly with their scores on the Stanford Achievement Test and its subsection on letters and sounds. In contrast, where there was an imbalance in favor of nonstandard speech, there was a significant negative correlation with scores on the same Stanford test and its subsections.

Analysis of the initial results also proved useful by identifying responses on certain items that seem to conflict with current conceptions of black nonstandard English.

The preliminary version of the test and the early analysis of results are included in a Center R&D Memorandum. "A Test of Proficiency in Black Standard and Nonstandard Speech." Complimentary copies are available in limited supply.

Circle the Reader Service Card Number 8 on the postcard insert or on the back cover.

RESEARCHERS SUGGEST COMPENSATORY EDUCATION FAILS LOW-INCOME STUDENTS

Low-income and ethnic-minority children are not reaping the promised benefits of "compensatory education." But how can the nation's schools give these children a better break?

That question is answered in a collection of hard-hitting articles in *Beyond "Compensatory Education": A New Approval to Educating Children.*

The book specifically rejects the philosophy of the "melting pot." Instead, cultural pluralism is advocated to surmount the social impasse frequently faced by teachers and administrators in multiethnic or low-income schools.

The articles are written by a group of researchers on the staff of the Far West Laboratory for Educational Research and Development in San Francisco. The researchers focus on the needs of children who are neither middle-class nor white—blacks, Chicanos, Indians, and others—in an effort to alert educators to some of the incongruences presently existing between these children's homes and the schools they attend.

Contributors to the book include: Glen P. Nimnicht and James A. Johnson, Jr., its editors, along with Arturo Aviña, Stephen L. Bayne, Alfredo Castañeda, Dorothy C. Clement, Patricia A. Johnson, and Francis McKinley.

The 224-page collection is available by writing directly to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Enclose a check or money order for $1.85 for each copy and refer to Stock No. 1780–01150.

WORKSHOP INTRODUCES CUTE TECHNIQUES

Educators responsible for training teachers to work in inner-city schools can benefit from an award-winning urban teacher education program.

Personnel from the Mid-continent Regional Educational Laboratory in Kansas City, Mo., use a workshop setting to introduce tested activities included in the Laboratory's Cooperative Urban Teacher Education (CUTE) program.

Public school and college staff members interested in the urban teacher-training program can set up the five-day workshop on-

site or at McREL. Both preservice and in-service workshops are available.

The workshops utilize the expertise of development personnel who have had five years of exeprience in implementing the CUTE training program.

CUTE training generally results in improved teacher-pupil relationships and a lower recruitment cost for the school system.

Public school administrators may be interested in another McREL workshop that prepares participants to hold subsequent workshops to improve staff relations. This three-day workshop enables staff trainers to carry out activities designed to improve communication among staff members of individual schools and to facilitate harmonious working relationships. The McREL workshop can be held in Kansas City or onsite.

More information about open dates and costs of the CUTE workshop is available.

Information also is available to administrators interested in the staff relation workshop.

Circle the Reader Service Card Number 9 on the postcard insert or on the back cover.

"HEY, BOY, LOOKING FOR A JANITOR'S JOB?"

"Hey, boy!"

"I don't see how you people can listen to that kind of music."

"Maybe she took a siesta."

"Take your honky hands off me!"

"Are you applying for the janitorial position?"

Do these quotations appear inflammatory? In certain cases, in certain schools, they very well can be—and are.

These statements and situations are part of *Confrontation*, a human relations training unit (simulation) for teachers and administrators in multiethnic schools. An experimental field-test version of *Confrontation*, developed at the Far West Laboratory for Educational Research and Development in cooperation with the Oakland and San Francisco public schools, has been used nationally for several years under the sponsorship of the Anti-Defamation League.

The package's five films include discussion-leader training materials that require no outside consultants. Each of the discussion-provoking films consists of a series of simulated episodes based on real-life inner-city situations that occur all too frequently.

MINNEAPOLIS HEARINGS ON FUEL SHORTAGE

Mr. HUMPHREY. Mr. President, Last Saturday, June 2, I chaired a hearing of the Consumer Economics Subcommittee of the Joint Economic Committee in Minneapolis on the extent and effects of the petroleum shortage in the upper Midwest.

We heard formal testimony from petroleum users including farmers, truckers, railroads, motorists, and urban transit people; also from representatives of petroleum suppliers; and from spokesmen for the State government and the Federal Office of Oil and Gas.

We also heard spontaneous testimony from many people in the audience who were vitally concerned about this problem. Conspicuous by their absence were representatives of the major oil companies—the ultimate controllers of the situation—who chose to stay away rather than to help us shed some light on this urgent matter.

I shall summarize the information presented at the hearing as it relates to: First, the supply situation; second, skyrocketing prices despite mandatory price controls; and third, the Federal allocation program.

SUPPLY

We received a picture of total disruption of traditional supply relationships for petroleum fuels. According to James Erchul, Minnesota Director of Civil Defense, two independent refiners, Triangle and Bell Oil, withdrew altogether from Minnesota early this year and have indicated doubt that they can obtain adequate raw materials under the existing vountary allocation program to resume distribution there.

Soon after their withdrawal, the Midland Cooperatives' refinery, a big supplier to rural Minnesota, was shut down for lack of crude. It has since resumed operation at about 50-percent capacity.

The Koch Refinery at Pine Bend, Minn., has been cut back to about 60 percent of capacity by a strike.

To make matters far worse, moreover, two major oil companies, Sun and Gulf, are liquidating their distribution systems in the State. After special appeals, Sun has agreed to continue supplying their traditional customers for 1 more year. A sizable number of other companies have cut back supplies below last year's level, and only one company will increase them.

Supply cutbacks already have resulted in closure of nearly 200 retail gas stations in the State and in financial ruin for their owners. Of the 880 retail stations listed as closed by Government figures, fully 20 percent are in Minnesota. And many more stations are seriously threatened, especially if any of the majors quits supplying.

Mr. Jerry Everett, director of the Northwest Petroleum Association, laid 200 questionnaires before the subcommittee that document the situation among the distributors of both major brand and private brand gasoline. As he said—

These are cold, hard statements of fact from the small businessman living this nightmare every minute of the day and night. I include night because you can guess for yourself that he is not sleeping well.

Mr. Everett quoted a few of these statements before the Subcommittee. For example:

From Wadena, Minnesota.: "Our Company has been in business since 1931. Our supplier has cancelled our contract as of June 1, 1973. After that date, we have 4 dealers, 400 fuel oil customers and 150 gasoline customers that we can no longer supply."

From Kent, Minnesota: "This is the worst condition that we have ever been in. It wasn't this bad during the war. Hope we can keep the business going. If this keeps up, the small business is finished. We haul gasoline and diesel fuel to 112 farmers that farm around 70 sections of land. . . ."

From St. Martin, Minnesota: "I have been a jobber since March 6, 1956, and have been asked to sign a mutual contract cancellation. The reason given to me was my operation does not show enough net as I do not sell tires, batteries and accessories . . . I have not been able to locate another supplier . . . I am the only supplier out of this village. What will my bulk plant that I have worked for all these years be worth once I am phased out?"

From Cloquet, Minnesota: "I am most concerned now about the complete cancellation effective June 30, 1973. They [the oil company] worked hard to get us to sign with them a year ago and at that time we switched two stations to them. Now they want to pull out and leave us without gasoline or fuel oil?"

Mr. Wayne Comstock of the Minnesota Association of Petroleum Retailers, interpreted developments in the distribution system before the Subcommittee in the following words:

Major refiners are moving downstream to *retailing* as a source of profit rather than seeking their profits primarily at the production and refining level. This change in concept is producing an upheaval in the marketing of gasoline. Among other things it means the following: First, the independent non-branded distributor and dealer is no longer needed as he was in the past to dump the cheap incremental barrels from refineries. Second, the jobbers, agents and gasoline brokers—both branded and unbranded—are now expendable. Third, we believe that refiners will integrate forward into the retail market with new brands and self operation of their choice locations.

The result, of course, will be complete control of gasoline from wellhead to nozzle. *Once the majors take over the retailing function, price competition for all practical purposes . . . will be at an end.* (italic in original)

Other objective experts foresee a similar course of events. In view of this upheaval in the oil industry, I think it behooves the Federal Government—without prejudging events—to keep very close watch over the maintenance of competition in this industry. With the passage this week of Senate bill S. 1570, the Senate moved to require the Federal Trade Commission to do just that.

I urge prompt action by the House of Representatives on this bill.

Despite the intense pressure on oil distributors and the extraordinary amount of time devoted by oil consumers to seeking future supplies, most business and government activities seem to be continuing at about normal levels up to now.

Last week, for instance, the Minneapolis Metropolitan Transit Commission was promised a normal supply of fuel for the next 12 months, but only after intercession by the Office of Oil and Gas with the American Oil Co. and with a very large price increase.

The railroads expect to obtain about as much fuel as last year after much effort and a like price increase. However, extraordinary demands for rail service this year have resulted in large backlogs and shipping delays. The same is true in general for trucks, but some reports have been received of grain haulers running out of fuel in trying to keep up with the unprecedented demand.

To a sizable extent, however, operations have been maintained by borrowing fuel from tomorrow, and reserves are now very, very low. It must be recognized that the agricultural sector, in response to the national need for greater food production, has expanded its acreage by over 10 percent. This means that last year's quantities of fuel for agriculture, food processing, transportation, and distribution will not be adequate.

Therefore, we have what one witness, Mr. Cy Carpenter of the Minnesota Farmers' Union, called "a fuel shortage time bomb" that may go off in the fall. That is, with today's very low reserves, the heavy demand for fuel to harvest, process and transport crops in the late summer and fall may cause the fuel distribution system to break down.

Indeed, today's Washington Post indi-

cates this process may already be starting in Texas, where the harvest begins much earlier. If this is true, then where will we be by the end of the summer? Even more alarming, where will this leave us with respect to our heating oil needs for the coming winter?

PRICES

The information on prices brought out at the hearing is simply appalling in light of the fact that we have mandatory price controls on oil. Every single witness for the bulk buyers of fuel reported price increases of at least 25 to 30 percent from major oil companies and much more from independent distributors. These reports encompass gasoline, diesel oil and lubricants, and some added information has been received on aviation fuel.

For instance, Mr. Ross Thorfinnson, chairman of the National Car Rental System, Inc., stated before the subcommittee:

The economic impact has resulted from increases ranging generally between 30 and 50 percent in the price of our bulk fuel purchases. In some cities no major oil company has been willing to bid on our fuel needs. In those situations we are buying on an individual lot basis from independent bulk suppliers at prices that add as much as 70 percent to our fuel costs. . . .

In virtually every city, when our present fuel contracts expired, our present suppliers have refused to bid on a renewal of the contract. Other major oil companies, if they submit bids, substantially increase the price virtually to the retail pump price level and require escalation clauses for any upward fluctuations in the bulk oil market price. . . .

I want to emphasize that Mr. Thorfinnson was referring to his company's experience all across the country, and not just in Minnesota.

Mr. James Denn of the Minnesota Motor Transport Association referred to "price increases of almost 50 percent for diesel fuel and gasoline."

The price increase is approximately in the range of about 4 cents a gallon (or 35 percent) for diesel and over 5 cents a gallon (about 30 percent) for gasoline. This, of course, is in a case where a *major oil supplier* is the source. Fuel purchased from independent suppliers has been recorded at prices up to 10 cents a gallon over that previously paid the majors and, of course, fuel from truck stops is typically purchased at even higher prices. (parentheses and italic supplied)

Mr. Kent Shoemaker, assistant vice president of the Soo Line Railroad, informed us that the railroad has commitments from oil suppliers for most of its needs, including an oral commitment for over 50 percent of these needs from American Oil and a formal commitment for about 20 percent from Continental. He adds—

We anticipate that our fuel costs may increase by 25 to 30 percent.

Mr. Louis B. Olsen, assistant general manager of the Minneapolis Metropolitan Transit Commission, told the hearing that in late April the commission's traditional supplier, American Oil, had presented a bid on about 75 percent of the commission's 1973–74 needs. He stated:

The bid was for Amoco premier diesel (a mixture of No. 1 and No. 2 diesel) not No. 1 diesel as asked for in the bid specifications. The price rose from 11.88 cents per gallon, the price under the '72–73 contract, to 14.9 cents per gallon (a 25 percent increase) and the bid contained the following clause: "The prices and/or quantities set forth herein are subject to revision by the seller, at its option, at any time or times, on 10 days written notice . . ."

More recently, Amoco reportedly agreed to supply the rest of the commission's needs at a price of 14.9. Mr. Olsen also reported the following other price increases:

No. 30 H.D. motor oil, up 40 percent.
Hydraulic transmission fluid, up 20 percent.
No. 2 lithium grease, up 28 percent.
No. 140 gear lubricant, up 13 percent.

Mr. C. L. Bowar, public affairs director for the Minnesota Automobile Association cited the result of a survey of gas stations by the association that indicated a widespread increase in gasoline prices of 5 percent in the last 2 months and 15- to 20-percent boosts where prices previously were depressed.

Finally, documentation I received at the hearing from a representative of the Minnesota Air Transport Association indicates that prices of aviation fuel from major oil companies also are going up. Moreover, lower octane fuels are becoming unavailable, and more expensive, higher octane fuels are being offered in their stead by the companies.

Mr. President, I want to emphasize that these data refer in most cases to major oil companies. It appears that they are charging whatever the market will bear, and this does not seem to be just a local phenomenon. Yet the major companies are under price controls supposedly limiting their average increases for all products to only 1 percent for 1973 unless justified formally on the basis of higher costs that are eligible to be passed through to the consumer. Nevertheless, the products mentioned here—gasoline, diesel fuel, lubricants, and aviation fuel—account for at least 75 percent of the sales of these companies. But none of them, to my knowledge, has received authorization to move beyond a 1-percent boost from the Cost of Living Council.

This simply does not add up. Either the price controls are being ignored with impunity by the companies or else these rules are totally inadequate. If the majors may raise prices by 25 to 30 percent under the rules, then the rules are nothing but a large loophole. If the franchised and independent distributors can raise prices without limit, then the rules merely transfer some of the excess profits from the majors to the distributors.

Last Tuesday I questioned Chairman Dunlop of the Cost of Living Council about this, but he had no answers to my questions. He agreed, however, to prepare a report on oil prices and to work in cooperation with the staff of the Joint Economic Committee to clarify this matter. I want him at the same time to try to clarify why the companies frequently have offered higher quality, higher priced products than requested instead of those actually needed. Also I asked that he examine the meaning of the minuet being done by the oil companies with their customers in which companies frequently have dropped old customers and taken up new ones in a sort of customer exchange among the majors.

THE FEDERAL ALLOCATION PROGRAM

Two witnesses; namely, representatives of the Metropolitan Transit Commission and the Soo Line Railroad, indicated that the administration's voluntary allocation program has provided them with some new oil.

Others, including Sigved Sampson of Midland Cooperatives and James Erchul, whose Office of Civil Defense receives shortage reports from all over Minnesota, indicated that the voluntary system has yet to yield adequate results. In one case, that of a taconite plant in northwest Minnesota, the program resulted in a very prompt reduction of supplies and consequently in layoffs, because the plant suffered a strike during the base period of the allocation program and thus does not qualify for a full allotment of fuel.

Jerry Everett, of the Northwest Petroleum Association, testified that the voluntary system should be given a chance to work because of the time already devoted to setting it up, but that mandatory controls should be held in immediate readiness.

Wayne Comstock of the Petroleum Retailers Association, however, strongly supported mandatory controls because, as he put it:

The power to allocate is the power to discipline and control competition. If gasoline must be allocated, that allocation should not be left in the hands of the refineries themselves. To do so is to insure that retail competition is a thing of the past. . . .

Gordon Haglund of the Northwest Petroleum Council questioned whether any allocation system will bring back those stations that already have been closed. He also raised the question of how the costs of high-priced, imported oil products can be recouped under price controls without creating untenable price differentials between competitors that must pass through higher costs on a relatively large proportion of imported products and those that have access to more economical domestic supplies.

The greatest consternation was caused when the representative of the Office of Oil and Gas, Mr. Lisle Reed, described aspects of the administration's oil program intended to help independent refiners obtain enough crude. Sigved Sampson, president of Midland Cooperatives, with a refinery at Cushing, Okla., stated unequivocally that these measures have not helped. He stated that he cannot even exchange fee-exempt import rights for the right to buy crude at its full price, much less sell his import rights for 10.5 cents per barrel as Mr. Reed suggested. The majors simply do not accept them.

Meanwhile, oil extracted in the Mid-West is being shipped to refineries on the East coast that could easily operate on imported crude.

Mr. Sampson estimated that capacity to refine 300,000 barrels per day are idle in the Midwest for lack of crude.

Mr. Erchul of the Minnesota Office of Civil Defense indicated great concern that the centralization of program man-

agement in one office in Washington—the Office of Oil and Gas—would lead to a totally unmanageable situation. He stated that the Office seems to be badly bogged down already and is moving very slowly to solve problems. He proposed a decentralized system with beefed-up regional offices such as those operated by the Office of Emergency Preparedness earlier in the year.

These suggestions on implementation of the oil programs are valuable and should be taken into account by both the Congress and the administration. To me it appears that continuation of the voluntary allocation program as at present will permit far too many inequities to go unredressed. There are no penalties for violations of the guidelines. Parties that are wronged may be deterred from complaining because they may obtain nothing but supplier retaliation for their effort. We now should move to an allocation system with some teeth in it for the duration of the present crisis.

THE SKYLAB MISSION

Mr. ALLEN. Mr. President, three brave Americans are circling this planet of ours in the largest and most experiment-laden space laboratory the world has ever seen. Ever since Skylab II Astronauts Conrad, Kerwin, and Weitz entered the Skylab, they have demonstrated beyond any doubt that man in space indeed has an irreplaceable role in this Nation's space activities. Without these men, there would be no mission—it is as simple as that.

NASA's Marshall Space Flight Center in Huntsville has played a magnificent role in the space drama we have witnessed during the past weeks to salvage the Skylab mission. The May 23, 1973, issue of the Marshall Star, an employee publication at MSFC, identifies some of the hundreds of dedicated personnel who worked around the clock to help salvage the crippled spacecraft and so much of the mission's valuable scientific experiments. The June 8 issue of the Wall Street Journal contains an article entitled, "Skylab Repaired With $65.50 Cable Cutter, Salvaging the Mission and Rest of Program."

Mr. President, from the day the first explorer set foot on our shores many hundreds of years ago, Americans have enjoyed a worldwide reputation for our ingenuity and ability to get a job done. The space achievements of the past 2 weeks prove that this reputation is not just rhetoric or idle talk.

Our astronauts and the thousands of men and women employed in our space program who, through their diligence and talent, succeeded in saving the Skylab mission have earned our highest praise.

Mr. President, I ask unanimous consent that the above-mentioned news articles be printed in the RECORD.

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

[From the Marshall (Ala.) Star, May 23, 1973]

MSFC WORKFORCE STRIVES TO PROVIDE AID TO SKYLAB

Hundreds of Marshall Center and contractor employees have been working around the clock here in an integrated effort to overcome the problems of the Skylab space station. Most of the activity has been in the development of materials for the proposed solar shields, design of shields, tool development and mission operations.

For the first two days following the May 14 launch of Skylab 1, the emphasis was placed on obtaining a balance between thermal and electrical requirements. By the time the thermal situation came under control through the alteration of the space station's attitude with respect to the Sun, work was under way toward the design and development of a solar shield which would be deployed by the Skylab crew to control temperature in the spacecraft in normal attitude.

In the design of a solar shield, materials testing was needed both at Marshall and Johnson space centers. MSFC's Material Division has performed numerous tests on candidate materials suggested by various NASA organizations and contractor firms.

Of prime interest in the testing was a determination of the degree of degradation a material would experience when exposed to ultraviolet radiation. Dozens of materials have been tested during the past week and small samples have been placed in vacuum chambers and exposed to ultra-violet for extended duration tests. Materials scientists are studying the results of these tests in addition to making thermal tests of their own to determine ultra-violet degradation.

The prime solution to the solar shield problem, it was decided over the week end, will be the deployment of a shield through the TO27 scientific airlock (SAL) in the forward compartment of the workshop. This would not require astronauts to go outside the space station.

As of late Monday, no decision had been made as to which of two proposed SAL shields would be chosen. One of the versions is known as the "parasol" developed under JSC, and the other is called the "liferaft" developed through MSFC. The "parasol" is a mechanical device which deploys like an umbrella, and the "liferaft" inflates once exposed to space.

After several days of work by Marshall Center designers and visiting astronauts, a two-pole or A-frame shield has been devised. If for some reason the SAL-type shield could not be deployed, this would be available for deployment through EVA in the vicinity of the airlock module and ATM.

In addition, some hardware continues to be fabricated for a JSC-developed shield which would be deployed from the CSM, in the event some unforeseen obstacle develops in the other devices. This device has been called the SEVA sail, for stand-up EVA.

The two-pole design would see one astronaut standing near the airlock EVA hatch in a normal EVA position assembling a 55-foot pole from 5-foot aluminum segments. He would "feed" the pole to the other astronaut standing at the ATM central work station—though in a set of foot restraints provided especially for this EVA (a spare set of restraints now in the workshop).

The ATM-based crewman would place the end of the long pole in a base plate that holds it and the next pole to follow in a V position. The base plate—made in MSFC shops—would be attached by C-clamps to a strut that supports the ATM EVA ladder. The shield is transported from the EVA hatch to the ATM work station by the device which will be used to dispatch and retrieve film from the ATM.

The prime and backup crews for the first manned mission arrived at MSFC Monday evening to go through a one-day simulation of the deployment of the solar shields. Simulations by members of the astronaut corps and MSFC engineers and divers have been going on since last Wednesday to check out the solar shield schemes. These simulations have been valuable in designing and debugging the system.

Another effort being given high priority at MSFC has been the designing of tools which will be carried by the crew to orbit for possible use in freeing one or more of the crippled solar arrays. The possibility of freeing the solar arrays will be made after the crew has had a chance to fly around the Skylab and allow ground support personnel to view the space station via television coverage.

[From the Marshall (Ala.) Star, May 23, 1973]

MSFC RALLIES TO AID SKYLAB: HOSC TASK TEAM FORMED

A special task team has been formed at the Marshall Center to coordinate the trouble-shooting being done for the troubled Skylab mission and to make recommendations for solutions to problems.

The team has been formed within the Huntsville Operations Support Center (HOSC), a unique facility located in the Computation Lab, which normally provides MSFC support in flight control and data processing management for both the Kennedy Space Center (KSC) and the Johnson Space Center (JSC). During Apollo missions in the past and now for the Skylab mission, engineers and technicians in the HOSC are in touch by telephone, computer terminals and TV links with the Launch Control Center at KSC and with the Mission Control Center at JSC.

The team is headed by James E. Kingsbury, deputy director of the MSFC Astronautics Laboratory, and William Horton, deputy director of the Astrionics Laboratory. The size of the team is flexible with all the resources of Marshal Center at its disposal.

In addition to the Astronautics and Astrionics Laboratories, the Process Engineering Laboratory is heavily involved in development of hardware and testing concepts such as sun shades in the simulated weightless conditions of its Neutral Buoyancy Simulator in building 4619. Deployment of the shades, or curtains, is also being tested at the Skylab cluster located in building 4619 of the Astronautics Laboratory. And the Computation Laboratory is contributing heavily by making computer runs on proposed solutions to calculate the results before fabrication of hardware begins. The Communications Division of the Management Services Office is also working around the clock in support of the Skylab mission.

Plans were made before the launch of Skylab 1 on May 14 for the HOSC to operate around the clock throughout the entire eight-month Skylab mission.

"While the astronauts are aboard Skylab, HOSC will be fully manned and functioning 24 hours a day, seven days a week," says Herman Kurtz, Jr., manager of the MSFC Mission Operations Office. "During the periods when the astronauts are not aboard, HOSC will still operate around the clock, but with a reduced number of personnel."

During the countdown for launch of the Saturn V which boosted Skylab into orbit, Marshall Center engineers familiar with every system aboard the complex, two-stage launch vehicle were in HOSC or on call to it. When problems arose during the pre-launch checkout, these experts provided advice and solutions regarding systems and hardware

for which MSFC has design management responsibility. They will be doing the same for the launch of Skylab 2, May 25.

At the Skylab 1 post-launch press conference at KSC, one hour after liftoff on May 14, Walter Kapryan, launch director at KSC, said that he could not recall a smoother countdown for the Saturn vehicle. Consequently, the Saturn V launch vehicle engineers at HOSC had little problem solving to do.

Personnel at HOSC and at many work stations throughout MSFC are working around the clock to make the Skylab workshop habitable for the three crew members.

[From the Wall Street Journal, June 8, 1973]

SKYLAB REPAIRED WITH $65.50 CABLE-CUTTER, SALVAGING THE MISSION AND REST OF PROGRAM

HOUSTON—Space officials prepared to plunge ahead with the entire $2.5 billion Skylab program, thanks to an old-fashioned pair of cable cutters—and assuming the trouble-plagued space laboratory doesn't develop any new problems.

The successful repair work by the astronauts yesterday on the Skylab's solar cell electric generators meant the present Skylab crew will be able to complete the planned 28 days in space and that two longer flights slated for later this year will be possible. The two longer missions, the last major man-in-space activity for the U.S. for several years, might have been drastically curtailed, possibly canceled, had the repair work yesterday been unsuccessful.

The first major emergency repair work in space was carried out shortly before 2:30 p.m. (EDT), when Astronauts Charles Conrad and Dr. Joseph Kerwin, working in the vacuum of space, successfully cut a small piece of metal. The piece of metal had been bent over the top of a beam that was supposed to fold out and deploy three panels of solar cells. The panels made up one of the Skylab's two wing-like solar-cell arrays that provide the Skylab with most of its electric power. With the beam jammed and the solar-cell panels still folded up in the outer wall of the Skylab, the laboratory was critically short of electricity.

After the two astronauts cut the piece of metal, the beam folded out and deployed the solar-cell panels and power began surging into the Skylab's partially depleted batteries.

The solar panels weren't fully unfolded, however, because some hydraulic fluid had partially solidified in the cold of space. But Skylab was maneuvered so that the sunlight would warm up the fluid, and engineers expect the panels to fold out completely early today.

One of the ironies of the operation was that, despite all the millions of dollars spent on developing highly sophisticated equipment for use in space, the astronauts used a commercially available cable cutter to snip the piece of metal. "It was our Model C 403–0689 and it carries a (retail) price of $65.50," said Edwin Mortimer, sales correspondent for A. B. Chance Co., a tool manufacturer in Centralia, Mo. The cable cutter normally is used to cut electrical cables.

The piece of metal that threatened to cripple a $2.5 billion space program was there because of "one little lousy single bolt," declared Skylab Commander Conrad. The bolt was in the strip of metal and had caught on the beam, so that the metal couldn't be pushed or bent out of the way.

REMAINING 2 WEEKS

Engineers here had calculated that the present Skylab crew could have squeezed through the remaining two weeks of their 28-day mission without the second solar-cell wing. They had sharply cut back their operations and were barely able to hold their electrical consumption down to the limited supply.

What National Aeronautics and Space Administration officials were worried about was the fate of the next two Skylab missions. These are planned for 56 days each, twice as long as the present flight. The first of the 56-day flights is to be launched July 27, or 35 days after the present Skylab crew returns to earth.

Space officials said earlier that if the electrical power problem couldn't be solved, it would be impossible for the next three-man Skylab crews to carry out a 56-day flight. The next flight probably would have been shortened to 35 or 40 days. Since this would have been only slightly longer than the 28-day flight, the mian purpose of the Skylab—to discover the physical effects of prolonged space flight—would have been seriously compromised.

PROSPECTS VERY GOOD

"From here on out the prospects are very good," said William C. Schneider, Skylab program director.

From now on, the most critical aspect of Skylab's future is the physical state of the astronauts. As of yesterday, the Skylab astronauts passed the previous U.S. space flight duration mark of 14 days. The doctors on the ground are watching the medical data intently for any effects of prolonged weightlessness.

If there are any drastic unexpected effects in coming days not only would this flight have to be ended but all future Skylab missions and any prolonged space flight would be limited.

Signs that the astronauts' bodies are starting to change in an attempt to adapt to the weighless state are just starting to show up. Late Wednesday, in a medical experiment, Dr. Kerwin showed for the first time one of the expected effects of this adaptation, Dr. Royce Hawkins, medical director, said yessterday.

HEART DECONDITIONING

Because of the lack of gravity, the astronauts' hearts don't have to work as hard to pump blood through the body. As a result, the hearts undergo "deconditioning." To find out how much their hearts have been affected, the astronauts periodically climb into a bag that covers the lower half of the body. A partial vacuum is then created in the bag. This has the effect of pulling the blood into the legs just as gravity tends to pull the blood to the legs.

When Dr. Kerwin underwent the test Wednesday it had to be stopped at one point to avoid his fainting, the first time this has happened. This occurred when the strongest vacuum possible, or, more correctly, "negative pressure" was created. The astronaut's heart rate jumped to 15 beats a minute but his blood pressure dropped. This indicated his cardiovascular system is no longer able to react as well as on earth to the pooling of blood in the legs, at least under rather extreme conditions. The test, which normally runs five minutes, was stopped after three-and-a-half minutes.

Dr. Kerwin will continue to undergo the the test in the next several days but not at such extreme negative pressure, Dr. Hawkins said. The test may also be modified for the other astronauts.

Far from being alarmed, the physicians are quite happy about the discovery. Apollo astronauts, who were checked medically only after they were back on earth, had also shown signs of such heart deconditioning and the doctors had expected to see it in the Skylab astronauts.

PHASE III OF PRESIDENT'S ECONOMIC STABILIZATION PROGRAM

Mr. HUDDLESTON. Mr. President, on January 11 of this year, mandatory wage and price guidelines were lifted and replaced with a voluntary system. Thus began phase III of the President's economic stabilization program.

The developments in the days and weeks since January offer little proof that the decision to initiate phase III was the correct one. Prices under phase III are rising at the most rapid rate in 22 years. During the first 4 month of 1973, wholesale prices increased at an annual rate of 21.2 percent, compared with an annual rate of 7 percent during phase II, when mandatory controls were in effect. During the same period, consumer prices rose at an annual, seasonably adjusted rate of 9.2 percent.

Then yesterday, June 7, the Labor Department reported that the May wholesale price index increased by 2 percent, for an annually adjusted rate of 23.4 percent. The May index was almost 13 perment higher than a year ago. It represented the second largest single-month increase since the highly inflationary period of 1951.

Coupled with the rising prices was a continuation of high unemployment. In April, 5 percent of the U.S. labor force—some 4½ million Americans—remained without a job, without the opportunity to participate in the U.S. economy—to contribute to it and to earn the necessary income to purchase the commodities available in it.

Questions over both the ability and the desire of the United States to deal with rising prices and inflation resulted in questions over the stability of the dollar abroad. At a time when many economists have come to view the dollar as undervalued in the world money markets, uncertainty over our willingness to take the necessary economic and fiscal steps result in lowered exchange rates and continued increases in the price of gold.

The situation is both an untenable and an unnecessary one. The price climb can be restrained and U.S. determination to deal with economic problems demonstrated. This can be accomplished by a temporary but comprehensive freeze on prices, profits, rents, wages, salaries and interest rates followed by a realistic and equitable program to control inflationary developments.

Strict Government regulation of the economy should not—and need not—be anyone's long-term goal. But, neither should continuing inflation and price increases, for these only serve to undermine the advances which are made in wages, salaries and benefits. They only dig deeper into the limited incomes and savings which our senior citizens and others living on fixed incomes have. They only raise questions in the U.S. business community and in the consumer's mind about the soundness of the U.S. economy in the months and years ahead. They only fuel the speculation which contributes to financial problems for the Nation both within the country and outside.

A 90-day freeze—a temporary, emergency measure—on prices, profits, rents, wages, salaries, and interest rates would help bring the economy under control and provide time for development of an appropriate and adequate economic program to follow. The base upon which

to build has already been laid for us. We have had experience with a freeze, with mandatory controls and with voluntary controls. We know that wages and prices can be restrained. We know that inflationary pressures can be restricted.

We also know, however, that guidelines can be more fairly and equitably imposed than they have been in the past. There was, understandably, a significant amount of dissatisfaction with both phase I and phase II of the new economic policy. In phase I profits were not controlled, nor were interest rates, leading to the belief on the part of many workers throughout the Nation that they were making more sacrifices than others. Obviously, there are difficulties in attempting to control profits. Implementation and administration of such controls cannot be easy. And, there is the pervasive danger that such controls will simply punish efficiency and reward less effective operations. We are, however, in a crisis period, and the freeze proposals under discussion are of limited duration. They are being considered as a transitional measure to halt the current trends and to provide the time for development of a more comprehensive economic program. In view of this, I believe that there should be some strictures on profits during the special 90-day period.

A 90-day freeze should also cover interest rates. Major purchases by the average American family almost invariably involve loans and interest rates. To control other segments of the economy without controlling interest rates would be to leave a major loophole through which these consumers could be hurt.

In phase II, prices seemed to increase continuously, while wages did not, raising natural questions regarding the procedures being followed. A temporary freeze would help preclude this while providing an opportunity to prepare a program which would relate wage and prime increases more directly to each other.

Thus, any freeze proposal should seek to restrain the current excesses in the economy, while avoiding the aspects of the previous phases which were inequitable or unfair.

As I indicated earlier, long-term Government involvement in wage and price controls should not be our objective. But, the current economic situation demands that we act—and that we act now. The wholesale price increases of the past 2 months and the activities in the international money markets should leave no doubt in anyone's mind as to the need for new procedures. At the same time, our experience with previous controls demands that we take special steps to guarantee that controls are imposed in a fair and impartial manner, with the burden for stabilizing the economy spread among all our citizens.

In a period when Congress is particularly concerned with its powers and prerogatives. I believe it has not only a pressing responsibility but also a special opportunity to demonstrate that it is capable of dealing with this cardinal domestic problem.

WHERE DO WE GROW FROM HERE?

Mr. HUMPHREY. Mr. President, an excellent six-part series on national growth and development in America recently appeared in the Christian Science Monitor. In these articles, Mr. Robert Cahn has provided some valuable insights into the growth problems faced by our Nation. He has documented the issues with examples at every level of government. I believe this issue is of vital importance to all of us and I recommend these articles as "must" reading.

On May 29, the first three articles were printed in the RECORD. I now ask unanimous consent that the final three articles in this series be printed in the RECORD.

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

U.S. CONFLICT EXPLORED: PEOPLE OR LAND—WHICH FIRST?

(By Robert Cahn)

WASHINGTON.—"Now would be the worst possible time to declare that America is going to rest in place, or that everyone will stay where they are until environmental dangers are dealt with."

"The buffalo-hunter mentality of development that is threatening the great reservoir of natural land in the nation must be stopped."

Both these conflicting comments were made by speakers at the conference to discuss recommendations of a new citizen task force on land use and urban growth.

The first, made by Ronald H. Brown, general counsel of the Urban League, reflected the viewpoint of those who view the current national trend toward limiting growth in urban areas as being restrictive on the poor and minority groups. They are skeptical of the motives of some who would limit urban growth.

"A concern for the environment and for proper land use can never be accepted as a cover for efforts to exclude people on racial or class grounds from living in a community," said Mr. Brown.

TOP PRIORITY SEEN

But to Oregon's articulate and forceful Governor, Tom McCall, who spoke of the "buffalo-hunter mentality," protection of the land is the No. 1 priority.

Encouraged by word he had just received from Salem that a tough state land-use control law he had been pushing for several years had just passed the Oregon Legislature, Governor McCall stressed that while population was increasing, no more land would ever be available. And he warned of activities such as a proposal to put 2,100 houses on a small rural hillside near the Oregon coast, where the land could not support such development without being ruined.

Most of the comments during the conference of 250 public officials and citizen leaders in environment and urban affairs, however, agreed with the task force chairman, Laurance S. Rockefeller, on his summary of the intent of the citizen report:

That the massive urban growth foreseeable by the end of the century must be managed without destroying neighborhoods or nature but also must be managed so that opportunities are not shut off to any segment of the population.

STUDY COMPLETED

The 12-member citizen task force set up by President Nixon's Citizens' Advisory Committee on Environmental Quality has just completed an eight-month, privately funded study of land-use problems associated with urban growth.

The study reported on a "new mood" gathering strength in the nation to limit or stop urban growth that is perceived as destructive to established communities and to the environment. The study also emphasized the need to reevaluate traditional attitudes that accept automatically every property owner's right to develop his land to its highest economic potential.

Mr. Rockefeller, although characterizing the report as "hopeful," said that "the task before us consists of learning to do what we have not yet successfully accomplished on any scale: the creation of communities that are socially open and environmentally sound."

EXTREMES CALLED THREATS

The time is propitious for exacting higher standards of development, he added, "because only now have the forces of conservation acquired sufficient strength to be taken seriously by traditional spokesmen for development."

The need for compatibility of economic and environmental demands is threatened by extreme positions, said Sen. Henry M. Jackson (D) of Washington.

"The no-growth philosophy encourages rather than mitigates confrontations between the 'haves' and the 'have-nots' and denies to our society the very wealth and technological advancements which we must have if we are to cleanse and improve the environment," he said.

Equally harmful, the Senator said, are the charges of "those who make predictions of ruin should the laws of the free market be amended, or of those who claim that public planning and implementation of policies for protection of the environment invade constitutionally protected rights."

INVITING MOBILITY

The deputy chairman of the task force, Paul N. Ylvisaker, dean of Harvard's Graduate School of Education, said that "when we talk about opening new land to quality growth we are inviting mobility of a population that land-use controls, tax powers, and so on have really imprisoned within the central city."

Dr. Ylvisaker said he hoped that a future task force would deal with "how as we open the city to the flight of even those prisoned within it, we also anticipate the conservation and regrowth of these areas."

Dr. Ylvisaker and several other conference participants stressed that land-use issues involve a social as well as a physical dimension. "We can't just think in physical terms," Dr. Ylvisaker said. "We have to think in human terms as well. Sometimes to go too quickly in the direction of physical salvation may take you to human destruction."

RETHINKING CHOICES?

Russell E. Train, chairman of the Council on Environmental Quality, said that "it may well be time to rethink our ways of dealing with growth. The limitations of local home rule and the owner's right to develop property may need to be adjusted to new needs."

The problem of determining how society can best allocate *resources so* as to serve the broader community "may entail frank acknowledgment that some individual choices may not be accommodated," Mr. Train added.

"It may be better not to build a highway if it is only likely to induce more sprawl and more pollution. It may be better to restrict automobile access to parts of cities if letting them in destroys neighborhood tranquility and pedestrain freedom."

Another challenge for rethinking was given by William K. Reilly, staff director of the Rockefeller task force, who said that the

report suggested it is time to try to reinvigorate the processes for people getting along with each other.

RUNNING AWAY CITED

"Much of the urban-growth experience in the United States over the past quarter-century has consisted of people running away—from other people in the older cities, now even from the suburbs to the mountains and the seas. Now it is dawning on us that there is not really any place to run to.

"Clustering, green belts, new communities with a full mix of uses, more inclusive decisionmaking processes—all of these involve higher levels of social interaction and cooperation than we usually have achieved," Mr. Reilly said.

Former Interior Secretary Stewart L. Udall praised the report, but he criticized the acceptance as inevitable the trends toward decentralization and enlargement of urban regions.

AUTO'S IMPORTANCE

The study should have taken up critical energy problems and the need for ending the "automobile culture" which has caused the sprawl and unplanned growth of metropolitan areas, Mr. Udall said. The present energy crisis, he said, which will grow more serious, will actually prove an ally to the environment because the decline of the automobile will force a move to more compact cluster living and thus save much of the land from development.

HOW MUCH SHOULD UNCLE SAM LET OUT HIS "GREEN BELT"?

(By Robert Cahn)

WASHINGTON.—By the year 2000, say those who project present statistics into the future, five-sixths of the American population will be housed in vast urban regions.

What the statisticians do not yet know, however, is whether these megalopolises will be huge sprawls the length of Atlantic, Pacific, and Gulf Coasts, around the Great Lakes, blanketing Florida, and radiating out from a few other centers.

An alternative would be distinctive communities set in open farmland and countryside, the nearby mountains and seashores protected and retaining their distinctiveness and integrity. Abundant parks and accessible waterfronts along unpolluted waterways would grace the inner cities.

Such an alternative is possible, according to a report by the Task Force on Land Use and Urban Growth, headed by Laurance S. Rockefeller. But the report, done for the President's Citizens Advisory Committee on Environmental Quality, warns that the alternative will not be available without basic reforms in attitudes and institutions controlling the use of land.

It is also now becoming clear that open space, long valued for esthetic and recreation purposes, can have a very powerful influence on the growth and shaping of cities and urban regions if it is well planned.

VISUAL RELIEF OFFERED

Some of the open spaces—aquifer recharge areas (water-bearing beds of sand, stone, or gravel), coastal dunes, highly productive agricultural areas, forests that reduce floods, and wetlands which start the biological food chain—must be preserved for the essential part they play in ecology. Green spaces that give visual relief also provide recreational opportunity for the expanding population. They also keep cities and neighborhoods from merging into a solid mass. Without open space, qualities that made the areas desirable places in which to settle are lost.

Although some communities are making progress, the nation as a whole is doing a grossly inadequate job of making wise use of open space and green space, say urban experts and conservation leaders. The best available studies also estimate that from 500,000 to 750,000 acres of rural open space are lost each year in the urbanization process.

To deal with the problems of green space, the Rockefeller report recommends a combination of governmental and private actions. The task force seeks to have higher levels of government working to guide development, but with decisions being made locally, the report suggests that land kept open for purposes other than recreation is best left in private hands and regulated to prohibit uses inconsistent with the conservation of scenic characteristics or ecological processes. It also recommends that vacant areas within urban regions—most often the unwanted leftovers of development—be preserved and grouped where they can do the most good.

Millions of acres already have been set aside by federal and state governments for permanent preservation of natural lands as national and state parks, wildlife refuges, national forests, and other designated public areas. Most of the national areas, however, are far away from population centers.

For years the federal government—primarily through the Land and Water Conservation Fund of $300 million a year (cut to $55 million for fiscal 1974 for Nixon administration budgetary reasons)—has been buying up land for national parks and forests and wildlife refuges and giving matching funds to states for purchase of park and wildlife areas.

PRICE KEEPS SPIRALING

However, private lands within the boundaries of national park areas still remaining to be purchased would require $250 million, at present land prices—and going up in price 10 percent each year. The price tag on the projected acquisition of Florida's Big Cypress swamp, needed to protect Everglades National Park's water supply, is $170 million.

Several states have voted legislation protecting certain types of natural areas. Hawaii has a statewide plan for classification of all land, with special designation of agricultural or conservation lands which are given some protection from development and tax benefits. Florida last year passed a land-use law setting up a system for protecting critical natural areas. The state's voters then passed a $240 million bond issue, most of it to be used for purchase of designated critical areas. New York State also passed a $1.15 billion environmental bond issue, including $175 million for parks and open-space acquisition.

Land purchase by government agencies can satisfy only a small part of the open-space requirements, although as seed money it at present serves a vital purpose. The larger need is for protective regulation and full cooperation from those engaged in the private development process.

"If the open space determination is framed for the public in terms of 'buy it or lose it,' we would surely lose most of our scenic countryside," says William K. Reilly, staff director of the Task Force on Land Use and Urban Growth.

"The answer has to be a mix of solutions that involves primary reliance on regulations, backed by property-tax assessments that reflect present use value. Sewer systems and roads, which attract housing, for instance, should be planned in such a way as to steer growth away from the lands that need to be protected from development."

VERMONT'S PERMIT PLAN

Attempts by local governments to maintain green space by adopting town or country plans, are often unsuccessful. Some citizens are led to believe their town's conservation and open-space needs are met because planners show maps with substantial areas marked in green. When the plans are checked against the zoning, however, citizens may find that the so-called conservation areas are zoned for two-acre lots.

Vermont has a new land-use law which requires permits before development projects are started. Permits can be denied unless the developer can show that his project: will meet a number of strict environmental criteria, will not have an unduly adverse effect on the natural beauty of the area, and is in conformance with a local or state land-use plan.

Two California counties have taken noteworthy steps. In 1965, Marin County placed two-thirds of its 300,000 acres in an agricultural preserve. One of these thirds has since been placed under preservation contract, with local governments authorized to reduce property-tax assessments. In 1971, the county rezoned land in the agricultural preserve from one dwelling per 3 acres to larger parcels, the majority of which are now zoned for 60-acre-minimum lots. Monterey County now has about one-third of its land zoned for 40-acre lots.

New York State's recently legislated plan for keeping the 3.7 million acres of private land in the Adirondacks Park permanently protected will provide for an average of only one building for each 42 acres on more than half of the private land, industrial development will be largely confined to areas already built up, and large second-home developments will be curbed by the low-density zoning.

UNFAIR APPLICATION SEEN

Agricultural zoning, by which property owners are allowed reduced taxes for maintaining their land undeveloped, has not been generally satisfactory in maintaining open space in most states where it has been tried, and has been subject to unfair application and windfalls for many landowners.

The Rockefeller task force recommends that existing programs be redesigned to apply two principles to agricultural zoning laws: (1) that benefits apply only to farmland located where it needs to be preserved; (2) that some permanent protections be provided so that the owner cannot use the subsidy and then sell off to developers at a large profit after five years.

One of the major recommendations of the Rockefeller task force calls for a federally assisted green-space program which would give permanent protection to green belts around cities and buffer zones between urban regions and within the regions.

A "national lands trust" with federal funding of $200 million annually is advocated. It would be made available on a matching basis (75 percent federal) to assist state and local land-use agencies in the designation, planning, and conservation of extensive green spaces in and around areas that are becoming urbanized. The federal government could make funds available for partial interests in strategically located lands.

Other means such as purchase of development rights along highways or waterfronts and the use of police powers for noncompensatory conservation zoning are also recommended.

Local governments already can regulate development and preservation of open space by requiring developers to set aside for open space or park use a portion of any proposed subdivision. The developer may be allowed to cluster units in one part of the subdivision in order to leave larger section in open space and still maintain an average density that can meet regulations.

But inasmuch as this type of regulation does not cover the small developer, the Rockefeller task force has recommended that in newly developing areas, local governments require that all developers contribute open space, or cash to be used to acquire open space, sufficient to satisfy the reasonable needs of the residents in their developments.

A 45-YEAR ACCOMPLISHMENT

Another potential for providing green space is by voluntary donations from citizens. This activity has been aided by federal income-tax provisions. These generally permit income-tax deduction of such charitable gifts for five years and exclude appreciation of the value of the donated property.

The Nature Conservancy, largest of many nonprofit land trusts around the country seeking to assist in preservation of natural land, has helped save 972 areas involving 377,055 acres over the past 20 years in 45 states and the Virgin Islands. In addition to making purchases and receiving land gifts from private citizens or corporations, the Nature Conservancy can option or buy an area threatened by development, but sought by a government agency which does not have purchase funds immediately available. The Nature Conservancy can then hold the land until the agency has funds appropriated for purchase.

A new organization, the nonprofit Trust for Public Land (TPL), has recently been formed to help save threatened key urban-oriented natural lands. Most land trusts deal principally in rural natural areas. The TPL's founders, Huey Johnson, formerly western director of the Nature Conservancy, and Greg Archbald, a former Nature Conservancy lawyer, feel that while it is important to save wild and remote natural areas for the escaping urban dweller, it is equally or even more important to preserve urban open space.

WOODED RANCH SAVED

One of the TPL's first ventures was to assist in preserving a 672-acre ranch in Granada Hills, within the Los Angeles city limits. The ranch—with woods, cliffs, and streams—is situated at the edge of suburbia. As such it was a prime target of subdividers. The land had been held by a family for many years, and the sale price was just over $1 million.

Some planners believe that one effect of the new national mood of challenging unrestricted growth will be to change the methods used to assist decaying inner-city neighborhoods. Instead of trying to replace these neighborhoods with higher-intensity development, a more logical solution, say some experts, might be to construct townhouses, and small buildings, and seek to reshape neighborhoods through open spaces. The use of urban waterfronts, now in decay in many cities, can play a role in rebuilding vitality into core areas. And industrial waterfront property might be replaced with parks and low-density housing. With many of the nation's rivers now in the process of being cleaned up, urban waterfronts will grow in economic value.

The preservation of open space may depend largely on obtaining more liberal attitudes and court opinions relative to the rights of development that go along with ownership of land. Most land-use regulations have been viewed as restrictions on each landowner's preexisting rights, rather than as grants of rights he did not have before.

The Rockefeller task force concluded that it was likely that the traditional assumption of urbanization rights arising from the land itself will be gradually abandoned in the future.

"What is needed is a changed attitude toward land, not simply a growing awareness of the importance of stewardship, but a separation of commodity rights from urbanization rights," the report said.

WILLY-NILLY SUBURBAN OVERSPILL CAN BE TEMPERED

(By Robert Cahn)

WASHINGTON.—As in many other "bedroom" communities near major cities, citizens in Virginia's Fairfax County realized a few years ago that uncontrolled growth was heading their county toward a crisis.

In this 400-square-mile area a half-hour from downtown Washington, schools were jammed, sewage treatment plants were overloaded, and traffic clogged the roads.

The county had grown from 22,000 in 1920 to 98,000 in 1950 and to 453,000 in 1970. It was run by a board of supervisors whose majority still believed in growth at all costs. Taxes were skyrocketing as costs of additional schools and county-provided services exceeded revenue from new residents.

Then the citizens organized to do something. Only 10 percent of the county residents lived in incorporated towns and cities. Those in the vast unincorporated areas had little identification with county government. But there was a federation of 130 neighborhood civic associations. In 1969 it turned its attention toward controlling growth.

BUILDING MORATORIUM ADOPTED

As a result of this new citizen interest in growth, Fairfax County voters elected a slate of candidates pledged to control growth. This changed the balance of power on the board of supervisors. A moratorium against further building was adopted by the new board for most of the county on the basis of inadequate sewage treatment.

In April the supervisors held a two-day citizen workshop to discuss methods of controlling growth. Last month an all-day planning session of the entire board was televised throughout the county on public TV. And next week the board will hold a public hearing to discuss plans for further moratoriums on development, for controlled growth that would link future development to availability of services, a "land banking" policy in which the county would buy up key developable areas to control land use, and establishing a requirement for environmental impact statements on all proposed major public and private development.

Not that all of this has been without controversy. Developers are still winning some fights. And 37 lawsuits have been filed against the supervisors by landowners who claim the county has illegally denied them the right to develop their property.

POLITICS UPSTAGES HOMEMAKING

Here, then, is an archetypal case of the rise of citizen resistance to uncontrolled growth.

The Fairfax Board of Supervisors chairman, Jean R. Packard, set aside her homemaking chores to enter politics last November. She won on a controlled-growth platform. She says that active citizen participation—attending hearings, making studies of growth cost vs. tax revenues, spending time informing others, and voting on local elections—is the only means for accomplishing change.

"If we can keep local government going the way the citizens want it to go." she says, "then we don't have to rely too heavily on the restraining powers of the federal or state government over which the citizens have far less direct control."

Citizen concern, however, can make itself felt in state government, too. In Oregon, for example, citizens started opposing new industrial expansion and growth more than a decade ago. Despite this sentiment, Gov. Tom McCall had been frustrated in efforts to get a recalcitrant Legislature to pass a state land-use control bill.

CITIZEN SUPPORT ORGANIZED

Then last November, Governor McCall sponsored a symposium on land use. Conservationists, business and labor leaders, bankers, farmers, builders and developers, and about one-fifth of the state Legislature met for three days to discuss the issues. Six hundred-strong, opponents and proponents, they met in small groups for debate, then reassembled to hear reports.

This basis of citizen support has continued during the current session of the Oregon Legislature. Late in May a strong land-use law was voted which listed 10 priority areas in which controls should be exercised to preserve land. It established a state land commission and a standing joint legislative land use committee and set in motion a process for identifying statewide land-use goals. The law also sets up a state citizen advisory committee on land use and requires each county to state how it is going to involve citizens in the planning program.

Fairfax County and Oregon illustrate the point that citizen involvement is the key ingredient of the antigrowth "new mood" that the report by the Task Force on Land Use and Urban Growth found to be sweeping the country.

TRADITIONAL PROCESSES PROTESTED

"Increasingly, citizens are . . . questioning the way relatively unconstrained, piecemeal urbanization is changing their communities and are rebelling against the traditional process of government and the marketplace which, they believe, have inadequately guided development in the past," states the Laurance S. Rockefeller-headed citizen task force that made its study for President Nixon's Advisory Committee on Environmental Quality.

What, specifically, is the role of the citizen who desires a change in land-use and urban growth policies?

1. Organization. Citizens have found that the first hurdle confronting them is organization. In community after community the average citizen showing up for a meeting discovers that he does not have the necessary resources and staying power to fight well-equipped developers. Many find strength in numbers when they look around at a hearing and see similarly concerned neighbors giving up an evening to protest a development proposal or rezoning. Citizens have provided new issues for already existing citizen organizations, or have formed ad hoc groups to meet specific problems.

LAND OR RIGHTS DONATED

2. Donations of land or development rights. A growing number of environmentally oriented landowners are voluntarily giving up their development rights, sometimes in concert with neighbors. Or they are donating land outright to public agencies or nonprofit land trusts. Typically well off and deeply committed, they want these natural areas or historic sites permanently protected against development or alteration. Their gifts usually can be used as income-tax deductions.

3. The ballot box. Ultimately, citizens strength must translate into electoral power. Citizens must not only keep informed on the issues but must actively work for candidates whose views they share. They can also write or wire their representatives and senators in Congress on issues such as the land-use policy act being considered now. Or they can write or wire the President or federal officials on environmental and urban issues concerning growth.

Last Novembers' election proved the voter strength controlling land use and growth. In Colorado, voters barred the use of state and Denver city funds to bring the 1976 Olympic winter games to Colorado, after a campaign in which unwanted growth and environmental damage were the main issues.

FLORIDA AND CALIFORNIA

Florida voters approved a $240 million bond issue to purchase environmentally endangered lands, in accord with a new state land-use act previously voted.

Californians adopted a law to control development within 1,000 yards of the entire coastal shoreline, and voters in three counties approved major open-space purchases. And in Boca Raton, Fla., voters took the unprecedented action of setting a maximum on the number of housing units that could be built in a city, establishing, in effect, a population growth limit.

4. Changing policies. Initially citizens concerned about growth tend to be more clear about what they are against then what they are for. But they soon learn that, to have

any lasting impact, they will have to develop needs in their communities, the Rockefeller task force includes in its study a series of specific questions to which citizens should be seeking answers. The Rockefeller report, "The Use of Land: A Citizens' Policy Guide to Urban Growth," is being published later this month by Thomas Y. Crowell.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

The PRESIDING OFFICER (Mr. PROXMIRE). Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 1888, which the clerk will state.

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.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 176) of the Senator from Massachusetts (Mr. KENNEDY).

Who yields time?

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, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. KENNEDY. Do I correctly understand that there is a 25 minute time allocation to the amendment, 20 minutes for the proponents and 5 minutes for the manager of the bill?

The PRESIDING OFFICER. The Senator from Massachusetts correctly understands the time limitation.

Mr. KENNEDY. I thank the Chair. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. KENNEDY. Mr. President, I ask unanimous consent that a detailed description of the amendment be printed in the RECORD, and I will summarize it rather briefly here this morning and respond to any questions which may come to bear.

The PRESIDING OFFICER. Without objection it is so ordered.

STATEMENT OF SENATOR KENNEDY

I take this opportunity to call up my amendment No. 176. This measure is designed to assist needy families in their efforts to obtain benefits from the food stamp program.

Senator Clifford Case from New Jersey has been an exceptional force in describing the need to improve assistance for needy families who deserve to receive adequate nutritional aid.

Senator Case and I have structured the several provisions of this amendment with a view toward eliminating the administrative and procedural obstacles that have prevented millions of needy persons from enrolling in the food stamp program.

The amendment authorizes the U.S. Department of Agriculture to make the following program revisions in seeking to insure that eligible families participate in the food stamp program:

1. First, the amendment redefines the term "food" to allow food stamps to be used to purchase any food or food product intended for human consumption. The effect of this provision is to allow stamp recipients to take advantage of sales of food items that may have a lower cost because they are imports.

2. *Definition of household.* The amendment to the "household" definition seeks to make sure that impoverished migrant laborers and other workers, persons who are dependent on monthly public assistance relief, and unemployed persons over 30 years of age are eligible for food stamps if they fall within the program's income, resource and other eligibility standards. At the same time, the amendment retains the provisions added in 1971 that exclude unrelated members of communes from food stamp program participation. The new "household" provision also adopts specific language to clarify and fully implement court-ordered requirements mandating that persons living under the same roof should be fractionalized as separated households if they do not live as one economic unit or purchase food in common. Moreover, this amendment to the "household" provisions will permit households that are too poor to purchase cooking facilities to obtain food stamps for the first time. The definition of "household" also deletes the prohibtion against the use of food stamps by the old, blind, and disabled who are supplemental security income recipients but whose total income falls within the national food stamp guidelines.

3. *Eligible households.* The Secretary of Agriculture shall continue, in consultation with the Secretary of Health, Education and Welfare, to establish uniform national standards of eligibility for participation by households in the food stamp program. In addition, however, this amendment provides that the Secretary shall establish uniform standards of eligibility for participation in the Federal commodities program. Thus, in States like Massachusetts where an overwhelming number of Federal food assistance recipients participate in the commodity distribution program, rather than in the food stamp program, at least those recipients will gain some assurance that the commodity program seeks to provide adequate nutritional values for them.

4. *Increases resource limits for the elderly.* Minimum resource eligibility criteria for persons 60 years of age or over is established at $3,000 for each individual 60 or over in the applicant household. Many old people are thrifty enough to retain funds for burial expenses and other emergencies. But, because these same people are often required to rely upon meager income from retirement or pension payments they are often too poor to provide adequate meals for themselves. Yet, under current food stamp regulations, they are not eligible for food stamps if their household assets exceed $3,000. By raising the asset limit to $3,000 per person, social security administration figures suggest that some 1.4 million persons over age 65 could be added to the eligibility rolls.

5. *Increase resource limits for residents in economic disaster areas.* Establishes a uniform $5,000 resource eligibility criteria for all households in a political subdivision experiencing an economic disaster, including a rate of unemployment substantially higher than the national average. Thus, in the communities of Massachusetts, Rhode Island, California, and Washington, where sharp curtailments in defense department operations have forced many people out of jobs, workers who have retained assets of $5,000 may seek assistance from the food stamp program while they struggle to regain a steady level of employment.

6. Provides for temporary emergency distribution of food stamps. Allows the Secretary to establish temporary emergency eligibility standards for households that are the victims of a mechanical breakdown in the system, as well as for natural disaster. Pittsburgh and New York are among those cities that have experienced breakdowns in system operations that certify eligible food stamp recipients. Although such stoppages are not due to any action by the recipients, they are the ones forced to suffer because the issuance of food stamps cannot be certified for them. Surely, it is not consistent with the intent of the Food Stamp Act to deny aid to the needy when those mechanical systems falter. For that reason, this provision authorizes local agencies to manually dispense stamps on a temporary basis while regular services are being restored.

7. Guarantees food stamps for elderly on supplemental security income. States in affirmative language that supplemental security income recipients shall be eligible for food stamps to the same extent as others based upon established income and resource limits. Approximately 1.5 million elderly recipients were made ineligible for food stamps when H.R. 1 was enacted last year. This provision clearly establishes the intent of the Congress to guarantee adequate food for these elderly citizens.

8. Special diet allowance for the elderly. Adjust stamp allotments to meet the special dietary needs of persons who have been medically certified to receive added assistance. At least 300,000 elderly citizens who suffer from diabetes, 1.6 million hypertension sufferers, and nearly 2 million old people with serious dental problems can receive the special food aid they need to maintain adequate health, under the provisions of this feature.

For many older citizens, loss of teeth and poor fitting dentures lead to the adoption of a soft diet generally high in carbohydrate and low in protein. And the prevalence of chronic disabling conditions among the aged, reported to be more than two-fifths of the population over sixty-five, has profound implications. The high frequency of heart disease, for example, means that many older persons need low sodium diets, those with intestinal diseases require diets of low bulk, while diabetes patients have another dietary prescription.

Upon adoption of this amendment the Senate will have firmly established its commitment to further serve the vital nutritional requirements of our elderly citizens.

9. *Certification of households.* Certification of application households would be made on the basis of a simplified application containing the necessary information and each application would be required to be acted upon within 15 days from the date that the initial request is made. Any household whose application was not acted upon within the 15 days would be granted a provisional certification until such time that a decision on the merits could be reached. Households which are receiving assistance pursuant to title IV of the social security act would qualify automatically since their need is already proven.

The income of households whose income is earned on a seasonal basis will be averaged on a 3, 6 or 12 month basis, as the applicant

chooses, and certification would be for a like period of time.

Certification of any household would not lapse or be otherwise adversely affected except pursuant to a fair hearing, except that each participating household would have the obligation to report to the appropriate state agency any change in income or family size within 30 days of such change. In the event that any household so required fails to report, such household's eligibility would terminate, until such time as compliance is met.

The need to expedite certification procedures was extensively examined last month when program administrators from around the country met in Washington, D.C. In too many jurisdictions recipients are forced to be re-certified for each certification period. And though comprehensive personal and family data may already be on file for these recipients, they are forced to repeat the entire, lengthy procedure for each recertification period. Recertification should be simple. But food stamps beneficiaries know it is nothing of the sort. Many of them rise early in the morning to form long lines, in all kinds of weather waiting for the food stamp doors to open.

Obvious reforms to correct this situation have been recommended by the Memphis, Tennessee, community relations commission. As the commission sees it, there should be increased staffs, less crowded facilities, and dispersion of centers for certification and sale of stamps. I share the intent of those recommendations, and that is why this feature has been designed to improve the conditions under which those recipients must seek to obtain the help they deserve.

10. *State plan of operation.* Under current, law, each state is required to submit a plan of operation that provides for the incorporation of eligibility standards promulgated by the secretary and for the certification of applicant households in accordance with federal guidelines. In addition, however, this amendment includes new provisions that provide for:

Employment by the state, of one worker per every 500 households in that subdivision whose incomes are under the income poverty guidelines, but who are not currently participating.

Granting authority to the hearing board to extend retroactive relief in appropriate cases.

Issuance of coupon allotments no less than two times per month.

The reinstatement of the provision which was repealed by P.L. 92-603 (H.R. 1) providing any household participating in the food stamp program to have its coupon allotment deducted from such grant and distributed with that grant.

11. *Cooperation with state agencies.* The secretary is currently authorized to pay to each state agency an amount equal to 62½ per centum of the cost of salaries and other administrative expenses involved in carrying out the provisions of the food stamp act. The federal share of those costs is raised to 80% and would include the cost of the added personnel required for certification and outreach services.

States were supposed to file outreach plans with the U.S. Department of Agriculture by January 1, 1972, and the plans were to go into effect by the spring of that year. Most States failed to do that because nearly 40% of the outreach costs had to come from the State treasuries. State food stamp officials complain, they don't have the money or the staff to do outreach. Some State administrators have been advised "not to drum up business," simply because it is too costly to launch the programs needed to insure that eligible participants are enrolled. *Hunger—1973,* published by the Senate Nutrition Committee last month, reveals that 10 million people whose incomes fall below the poverty line are still not getting any Federal food assistance at all. The thrust of this future is to extend aid to those people who we know are eligible because their low income is insufficient to provide an adequate diet.

12. *Authorization.* The amendment provides an open ended authorization for the fiscal years 1972 and 1973. In addition this amendment authorizes the U.S. Department of Agriculture to spend available appropriations during the following year, and the amendment eliminates the requirement that the Secretary reduce proportionately the value of coupons to participating households if the participation exceeds the appropriation for that fiscal year.

Last Monday, in hearings that I chaired before the Select Committee on Nutrition and Human Needs, Agriculture Deartment officials testified that approximately $200 million in food stamp funds will go unspent this year. Last year, during similar hearings, Agriculture Department officials reported that nearly $700 million in appropriated food assistance funds would be returned to the Treasury. In both instances, it was revealed that the Department has failed to be able to identify enough hungry people who need help.

Yet, *Hunger—1973* identified 263 counties in this Nation that shamefully bear the label "hunger counties," because two thirds of the poor people in those counties receive no Federal food aid. A decade ago, 36 million Americans were poverty stricken. Today, 26 million people fall below the poverty line. And since by the Government's own calculations, the poverty line is based in the ability to purchase an adequate diet, then those in need are hungry people.

Until we can prove that all who qualify for food aid have received available assistance, it seems inconsistent to refuse to spend funds appropriated by the Congress for that purpose. Therefore, I expect this amendment to help ensure that the Federal Government will use its resources to meet the deserving demands of those who are in need.

In conclusion, I would like to urge this Senate to adopt this amendment to the agriculture bill because it includes many vital features that may go a long way toward ensuring nutritional adequacy for so many needy people. During these times when food prices are burdensome for most families, there is no question that the poor are affected more seriously than other families in our society. And for them, proposals that may offer some relief are especially important. I would like to see this amendment adopted, not only because it seeks to achieve acceptable levels of nutritional adequacy for people in need, but also because people who are in need suffer too often, simply because no one takes the time or the interest to help them.

We know there will be programs to ease the food price squeeze for higher wage families. I am convinced that we must, at the same time, adopt policies and programs that will do the same for low income families. This amendment is an attempt to do that. And I urge every member of the Senate to support this critical program.

Mr. KENNEDY. Mr. President, the pending amendment, which is cosponsored by a number of Senators, is designated to take into consideration a number of procedural and administrative problems that have been noticed in the development of the food stamp program, to show some sensitivity to the need for adequate outreach into the communities, particularly among the elderly, and to try and protect a number of people who might be eligible for food stamps—and, primarily the elderly—who are not receiving them today.

It is primarily a remedy for administrative and procedural difficulties. It also recognizes the importance of reaching out to those who are not participating in the program and provides additional funding from the Federal Government to the States to help alleviate the financial burdens which will be incumbent on them if this amendment were to be realized.

Mr. President, the first section on the first page of the amendment recognizes that in the attempt to develop administrative guidelines under the food stamp program to exclude those who might violate the spirit and direction of the law, a stricter interpretation was placed on unrelated individuals who might be members of a household. No one who supports this program wants people abusing it, especially those *otherwise* qualified for work and who should be working but instead take advantage of the food stamp program.

For instance, it was brought to the attention of the Senate that this was developing in a number of communes around different sections of the country. In an attempt to meet this problem, a regulation was established which has had an adverse effect on migrants, and on unemployed persons who otherwise would be qualified for the food stamp program but because they were living or sharing, a residence together, were excluded. Even some of those otherwise qualified for public assistance would be excluded.

So the thrust of the amendment is to remedy that particular provision.

Moving on now to page 3 of the amendment, there is a recognition to raise the individual savings limitation for our senior citizens to approximately $3,000. I do not know how it is in other parts of the country, but the minimum burial fees in my part of the country run anywhere from $1,200 to $1,500. Many elderly citizens retain that kind of funding of $1,200, $1,500, or $2,000 so that they will not have to put an additional burden on their family. Certainly, it is obvious that providing a $3,000 assets ceiling complies with the spirit of the act. So we raise the amount to $3,000.

To show some recognition of the particular dilemma in certain areas of the country that are hard pressed because of economic exigencies, such as the closing of military bases, or some other economic disaster, we raise the assets limitation to $5,000 over a temporary period. In my part of the country, in New England, the average worker at a Federal installation is 7 years above the average age of employees in other parts of the country. In the New England area generally, we will have lost two-thirds of the total jobs that will be lost in the *recent* cutbacks. So there was a recognition of the legitimacy for a temporary period of time, of revising that limitation to $5,000.

It also provides and recognizes that there are a number of elderly people who have special health problems, are diabetic, suffer from hypertension, and so forth and, therefore, need a special diet. This provides some flexibility to the secretary to cope with that.

On the question of certification, where we find individuals who are clearly eligible yet are required to come down

and spend up to 9 hours to be recertified as often as once a month. Obviously, we feel that this program should be reflective of real need, and we try to simplify the certification application. Today it is an 8-page application. One question on it is, "Do you own a boat or a plane?" For an individual, particularly an elderly person, to have to come down month after month to apply for recertification and answer a long and detailed questionnaire does not seem to make much sense. We have simplified that procedure for them. That is one of the strengths of the amendment.

The amendment also creates an Outreach Program to reach out across the country, directed primarily to our senior citizens, recognizing the potential benefits of programs such as Operation FIND. Tens of thousands of elderly citizens live in remote rooming houses or apartments who are excluded from these nutritional programs because they are unaware that they are eligible. We set up a procedure to stabilize the Outreach Program in this measure.

We are providing additional incentives to the States in matching grants to expand their Outreach programs.

This, very briefly, is a summation of the amendment. A more detailed description is part of the record.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, will the Senator yield me 1 minute?

Mr. TALMADGE. I yield 1 minute to the distinguished Senator from South Carolina.

Mr. HOLLINGS. Mr. President, as I understand the parliamentary procedure, I have an amendment, together with the Senator from Florida (Mr. CHILES) and the Senator from Texas (Mr. BENTSEN), to the amendment of the Senator from Massachusetts, but I understand that we would call up our amendment after his time is yielded back. I cannot tell what will occur, whether or not the Senate will accept my amendment; but I want to say a word in opposition to the Kennedy amendment.

The PRESIDING OFFICER. The Senator from South Carolina correctly states the time limitations.

Mr. HOLLINGS. I could go into it in detail. I do not want to take the time of the Senator from Georgia on opposition. Perhaps I should use my time.

Mr. KENNEDY. Mr. President, I will be glad to yield 5 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, right to the point, I agree with the sentiment in the field that the Senator from Massachusetts expresses in his amendment, as to an increased awareness, an increase in the Outreach program. But in trying to improve the participation within the food stamp program, like Samson, we are going to pull down the temple walls and ruin us all—specifically, when the Senator goes to the heart of allowing food stamp users to buy foreign or imported foods. I do not see how we can do that now.

In Massachusetts and South Carolina, we are having a struggle over the importation of shoes and textiles and other items; and I do not see how we can say, with justification, that food stamp users should get Camembert cheese and Russian caviar and that that is going to help the poor. That is going to destroy the credibility and integrity of the program.

Specifically, when we get to the definition of "household," my amendment, which I will offer later, would strike in its entirety the proposed definition of "household." Under the definition of the Senator from Massachusetts, it would create further opportunities for abuse of the food stamp program by strikers, the hippies and the families living in communes, and by others in the past who have attempted to avoid the strict letter and spirit of the law. I oppose food stamps for strikers. I believe that food stamps are for the hungry poor, not for the communes and the hippies, and strikers.

I would strike the provision which would allow the Secretary of Agriculture to raise the amount of liquid assets of families from $1,500 to $5,000. That is the marginal wage group. Many of us disagree with the fundamentals, specifically, the leaders in this program. The chairman of our Nutrition Committee has looked upon it as an income supplement, but I have always felt that food stamps should go initially to the hungry poor. When we complete that program, America can look objectively at it and see the good it has done. Until it is done, marginal wage earners coming in on this program, with an increase up to $5,000, would destroy its credibility.

Change the provision of the food stamp allotments with those on the medical type programs to a specification whereby it would apply only to persons with a disease, such as diabetes or some other organic disability; because if you put in there a medical certificate, as the Senator from Massachusetts proposes, we have seen what the medical profession has done with medicare and everything else. Everybody will come in with a local doctor's certificate. You could be overweight, obese, and get a medical certificate stating that you needed a different type diet or an increase in amount, and it would open the door to destroy the credibility of the program.

Again, striking the word "solely" from the provision relating to the application forms: Once that is put in, at the later hearing process, that I think should be eliminated, everybody gets in line. They are brought in in buses, and then they put their signature on a sheet of paper, and the food stamps are issued. Then they go to a desk; and rather than investigate the deservedness, to the contrary they have a whole legal miasma, trying to clean up the violators, cheaters, and others, that we are already subject to at the present time. The food program should be limited to the migrant workers. That is the real thrust and is very important in the Food Stamp Act. The program should be limited to those specified in title 42, section 242H; not to the ones who in another 3 months could bring themselves within this particular program. There would be schoolteachers, football players, and anybody else in the operation. Ballplayers could come in. They are making a hundred thousand dollars during the playing season; then in the off-season they could line up in a food stamp line, while the hungry poor and needy get nothing. That destroys more of the program.

I think the Senator from Massachusetts is leading the way, in the proper direction, for more legal participation and more legal control. In fact, in my State the Senator is aware of the extremely limited participation.

Mr. KENNEDY. Mr. President, notwithstanding the agreement, may I ask that the Senator's amendment be in order at present? I think that with that understanding we could have additional flexibility with regard to the time.

Mr. TALMADGE. Mr. President, when we yield back the time on the amendment rather than now.

Mr. KENNEDY. Rather than yield back the time, I think it would free up the time.

Mr. TALMADGE. I am prepared to make some remarks on the Senator's amendment.

Mr. KENNEDY. My only point is that if we yield back the time, we will have a few minutes more on both Senator HOLLINGS' amendment and my amendment.

Mr. TALMADGE. If the Senators desire some time, either the Senator from South Carolina or I will try to work that out.

Mr. KENNEDY. Mr. President, I am merely asking that the amendment be in order now. We will have time remaining. I think it is about 12 minutes. That time would be available to the Senator and myself, and the Senator from South Carolina would have 15 minutes.

Mr. TALMADGE. Mr. President, if the amendment of the Senator from Florida (Mr. CHILES) were to be in order now, what would be the situation?

Mr. HOLLINGS. The Senator from South Carolina's amendment would be in order now.

The PRESIDING OFFICER. There would be 15 minutes on the amendment to the amendment. Then, after the vote on that, the Senator from Georgia and the Senator from Massachusetts would have time remaining.

Mr. CHILES. Mr. President, by unanimous consent we can do anything, can we not?

The PRESIDING OFFICER. The Senator from Florida is correct.

Mr. TALMADGE. Mr. President, I desire to make a few brief remarks; and I shall be delighted to accede to the request of the Senator from Massachusetts. I have examined the amendment offered by the Senator from Massachusetts. I find some of the same problems have been created as have been pointed out by the Senator from South Carolina.

First, I think it is erroneous, as drafted on page 1, line 7, that "The term 'household' shall mean a group of related individuals—and their foster children—other than migrants and other laborers, public assistance recipients," and so on.

I think technically the language actually excludes people who are worthy and deserving of food stamps. I think that is a techical error by the people who drafted the amendment.

On page 4, at line 25, I find that this amendment would make eligible for food stamps 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.

By that standard fat people overweight could be certified for food stamps to relieve their excess fat.

Going down further on page 5, it provides, on line 6:

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, deduction, household size and composition. . . .

Under that language an individual would certify himself so he could declare his own eligibility for food stamps.

Going down further on page 5, line 24, and the Senator from South Carolina alluded to this, it states:

"The income of any household earned on a seasonable basis shall be averaged on a 3-, 6-, or 12-month basis as the applicant may elect,".

As the Senator from South Carolina pointed out if the heavyweight champion of the world had one prizefight a year and earned $1 million on December 1, he would be eligible for food stamps under that standard.

On page 6, line 8 it provides:

"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."

In other words, the recipients would certify themselves for eligibility, and could only be removed by hearing.

I find all of those things in the Senator's amendment objectionable. Therefore, the Committee on Agriculture and Forestry would have to oppose the amendment.

Mr. YOUNG. Mr. President, will the Senator yield to me?

Mr. TALMADGE. Mr. President, I yield 2 minutes to the Senator from North Dakota on the bill.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. YOUNG. Mr. President, shortly after I came here 28 years ago I joined as a cosponsor of a bill with the Senator from Vermont (Mr. AIKEN) for a food stamp program, much the same as we have now. The food stamp program seemed to work well in depression years and I thought it was a better way to help the poor acquire necessary food.

But the present law is so loosely written now that almost anyone can comply. One of the reasons that food and vegetable prices are so high is that no one wants to pick the fruit any more or to do stoop labor for vegetable crops. It is so easy to get food stamps, why should they work? Most will not.

It is very difficult to get that kind of help. The food stamp program is almost a scandal in my State and in States adjoining my State. Senators can ask any welfare director and they will tell you that almost anyone can be eligible. All they have to do is to go to the welfare office and say they have only a certain amount of money in the bank, and they can get food stamps.

Unfortunately, the real needy people all too often are not asking for food stamps. There are many real needy people today not getting assistance because of the wide abuse in the program. It is a good program but the scandalous situation we have now should be corrected.

I believe the amendment of the Senator from South Carolina will go a long way toward improving it.

Mr. TALMADGE. Mr. President, I am prepared to yield back my time.

Mr. KENNEDY. Mr. President, I would like to yield to the Senator from New Jersey, but just before I do, once again I want to emphasize at this point that the enforcement provision is still in the act. If a person is able bodied and can work, he has to take a job at the minimum wage. If there are places where this is not being enforced, I am prepared to propose additional manpower to make sure that it is enforced. Let us not use that argument against this amendment.

With respect to the argument by the Senator from South Carolina about the prizefighter or the football player, if that person has more than $1,500 in assets he would not qualify. If Mohammed Ali should fight and earn $1 million, he would have to be without any more than $1,500 before he could qualify. Also with regard to teachers, I do not know how schoolteachers are paid in South Carolina, but in my State they are paid on an annual basis. They would not qualify. They also would have to have assets below $1,500. So the idea of the football player or the movie actor qualifying under this provision is without merit.

I yield to the Senator from New Jersey.

Mr. CASE. Mr. President, I thank my colleague for yielding. I am happy to associate myself with this amendment. I understand the concerns of the Senator from South Carolina and we are more than willing to accommodate any reasonable concern. The Senator from Massachusetts already has indicated that.

Mr. President, I am pleased to join with Senator KENNEDY as a sponsor of this amendment to the food stamp program. This amendment is designed to help many eligible people who have been prevented from enrolling in the food stamp program by administrative and procedural obstacles. And it contains many long needed provisions to help the elderly who participate in the food stamp program and to help migrant workers who have often not been permitted to participate.

For the most part these are technical changes that are not costly and, in fact, may even save money in the long run by eliminating much of the unnecessary bureaucratic redtape that, in the past, has prevented proper application of the food stamp program in many areas.

One provision of particular interest is the grant of authority in this amendment to the Secretary of Agriculture to issue extra food stamps to participants who require special diets to remain healthy. Many of us recognize that a nutritionally adequate diet sometimes costs much more for those who are ill and who must buy special foods. This is especially true among the elderly who participate in the food stamp program.

I also want to take this opportunity to congratulate the Senate's Agriculture Committee for restoring eligibility to elderly food stamp recipients who receive aid under the Federal aged, blind and disabled program. Last year when H.R. 1 was considered in the Congress these participants were dropped from the food stamp program, effective in 1974, even after the Senate voted to oppose this change. I was pleased my amendment did pass the Senate then, although I was disappointed at the final outcome. But I was also sure the Agriculture Committee, which has responsibility to review the food stamp program, would act to restore eligibility for these individuals.

I thank the Agriculture Committee for its action on this matter and I urge adoption of the amendment now before the Senate.

Mr. President, I ask unanimous consent at this time that my assistant Steve O'Brien be allowed to remain on the floor during this amendment and other amendments.

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

Mr. KENNEDY. Mr. President, I yield 3 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. McGOVERN. Mr. President, I rise to support the amendment by the Senator from Massachusetts. On the other hand, I am not entirely opposed to the points made by the Senator from South Carolina.

I was particularly glad to hear him say that his amendment does not in any way weaken the efforts of the proposal of the Senator from Massachusetts to improve our outreach program. As a matter of fact, the State of South Carolina probably has the best and most effective outreach program that exists anywhere in the country. There are many States where people are unfamiliar with the benefits to which they are entitled under this program, especially many of our older citizens, many of them living in out of the way places, in the back streets, and in the rural areas, who are not familiar with the provisions under this program.

The amendment of the Senator from Massachusetts attempts to provide a modest increase in people to acquaint our needy citizens with the benefits to which they are entitled.

The Senator from North Dakota mentioned a moment ago that there are some violations of this program and that there are also many needy people who do not know about it, who are not participating. That, of course, is the purpose of this section of the amendment, to see to it that we do reach out to bring to them the benefits.

I hope the amendment is agreed to.

Mr. TALMADGE. Mr. President, I yield 2 minutes on the bill to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I am sure this is a well-meaning amendment. Most of us are trying to support the food stamp program for the purpose of feeding hungry people. If one looks around at the people participating in the debate, it will be seen that, for instance, the Senator from South Carolina has never been against feeding the people; in fact, he has taken an outstanding and leading role in trying to provide programs to feed the hungry. The junior Senator from Florida voted for the amendment earlier that would have strengthened the program by adding more dollars and turning it around.

There has to be a constituency for a program like this. However, we are facing a decreasing constituency across the country to feed the hungry people because we are opening up this program so fast and because we have so much fraud in the program today. In addition, it is going so many places against the purposes of the program that you are going to kill the constituency that is able to take care of the hungry people. This amendment is going further in that direction. The Senator from Massachusetts said that there is nothing here to weaken any other regulations. No, but it completely changes the whole program again.

I just met with people in the Agriculture Department yesterday in my office about what is wrong and why we have not had our regulations enforced. Tomorrow I am to have a meeting with people in my State who administer the program.

The problem is that we are opening the program up so fast that they cannot keep up with it and get the regulations set. Here we are going to change the whole program again.

In my State right now we cannot get the fruit crop picked. It is as simple as that. We are going to leave 20 percent of the crop in the groves. The price is there for the crop. People want it. Orange juice is probably the best bargain the housewife can get in the store today, but we are not having the crop picked because people are on food stamps. The ability is there to work 7 days a week, but as long as they can draw food stamps, they do not want to work.

There was supposed to be nothing in the design of that program to kill the incentive of people to work, but that is what the program is doing. The people in my State are up in arms over the abuses in the program. We had better tighten them down and see what we can do to cure the abuses and do what we can to see that the regulations are enforced, and not turn around and open it up still further again and change the procedures to the point where a person can write his own ticket as to whether he is entitled to food stamps.

We have a case in the northern part of my State that involves three States, where people had signed up 15 times in Florida, Georgia, and Alabama, for food stamps. Yet in my State, as far as I can learn, not one single person has served a sentence in jail for fraud in connection with food stamps. The same is true in other States—155,000 families in my State are drawing on the food stamp program.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. CURTIS. Mr. President, I yield myself 1 minute on the bill.

There are so many abuses in the food stamp program that the Inspector General of the Department of Agriculture spends 90 percent of his time on that problem.

This program has grown from $172 million in 1968 to $2.1 billion. Yesterday the Senate added another $600 million. The pending amendment will put an increase of $1 billion increase in this program and open the doors wide for more abuse. It is totally irresponsible. I hope it will be voted down.

Mr. TALMADGE. Mr. President, I yield 3 minutes to the Senator from Texas.

Mr. BENTSEN. Mr. President, I rise in opposition to the amendment offered by the Senator from Massachusetts (Mr. KENNEDY).

I do not believe that any Senator will argue against food stamps for those people legitimately in need of them. The food stamp program was conceived as a humanitarian program to bring added nutrition to millions of Americans who do not have the resources to purchase an adequate diet.

What concerns me is not the goal of the program, but the manner in which it has been implemented. In my view, the Senator's amendment would multiply the possibilities for abuse that we presently have.

The hard fact is that the record of the food stamp program is replete with abuses; in some sections of the country, the procedures for monitoring recipients to discern whether they are in fact needy has become a mockery.

The McAllen Monitor, a newspaper in south Texas, only yesterday reported the arrest of a shoplifter who had in his possession some $66 worth of food stamps that he had apparently received through a post office box. One citrus grower who hired 8 workers, who did not show up for work, reported seeing them using their food stamps during the same period. In certain parts of Texas, people qualify for the food stamp program during the rainy season when there was no work, then remain on the eligibility rolls receiving the stamps even during the period when work is plentiful. There have been instances in south Texas when food stamps have been used to purchase goods in Mexico and have then found their way back across the border to be used illegally. There was one instance of a motorcycle being purchased with food stamps.

Indeed, Mr. President, the food stamp program, a program with laudable objectives, has become something of a joke in some parts of my State. The administration of the program could be gently described as incompetent. In my view, our task now is to tighten up the administration, not to relax it as the Senator from Massachusetts would seek to do.

We are not talking about an insignificant Federal program in this instance. In fiscal 1973, an estimated $2.3 billion in food stamps was obligated. We are talking about one of the major programs of Federal domestic assistance, and I believe we must take great care to see that a program of this magnitude is tightened up so that the stamps go to the people who really need them, not to people whose intent is to circumvent the intention of the Food Stamp Act of 1964.

The Senator's amendment broadens the possibility for abuse in several ways. I am not one who argues for complicated Government forms; quite to the contrary, I have spoken out several times against the mountains of paperwork coming from Washington. However, the food stamp program has produced its share of abuses in spite of the obstacles thrown up by the paperwork. Before we seek to simplify, as the Senator suggests, we should hold hearings to determine how we can produce forms which are thorough and efficient as well as simplified. The Senator's suggestion that the application forms contain only sources of income, deductions, and household size and that these forms be approved or disapproved within 15 days could lead to hasty approval or disapproval based on inadequate data.

Another of the Senator's suggestions is that the Secretary must 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. Again, the possibilities for abuse are multiplied. In fact, Mr. President, some special diets may not require the additional costs that the Senator mandates in his amendment. Salt-free diets, for example, may not even be as expensive as the traditional diets individuals may follow. And the administrative problems created by this section of the amendment could be substantial.

Another section of the Senator's amendment would establish a uniform limitation of $5,000 in assets for all households in political subdivisions that are experiencing "economic disasters." Although I am sympathetic with the thrust of this amendment and I can understand the motivation behind it, I must ask myself whether a family with one $1,500 in assets, which happens to live in a relatively prosperous area, should be treated any differently from families which happen to live in the so-called "economic disaster" areas. They are just as poor, and to treat them differently because of relatively healthy economic conditions surrounding them seems to me patently unjust.

Mr. President, I am in sympathy with the Senator's desire to up the asset levels for the elderly to have them still eligible for food stamps. I believe that this move is both logical and humane; however, it is tied in with so many questionable provisions that I find myself unable to support this amendment.

The food stamp program needs a thoroughgoing review. It needs to be tightened up. It needs to be fairly administered. To open it to more potential abuses and to add an estimated $300 million in costs at this time seems to me singularly unwise.

I ask that the Senate defeat this amendment.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. HOLLINGS. Mr. President, on behalf of the Senator from Florida (Mr. CHILES) and myself, I call up my amendment to the amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The assistant legislative clerk proceeded to read the amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 1, delete lines 1 through 8;

On page 2, delete lines 1 through 10;

On page 3, line 12, insert a period after the word "over", and delete the remainder of the sentence on lines 12 through 16;

On page 5, line 1, after the word "diet," and before the word "by", insert the following: "due to disease or some organic difficulty";

On page 5, line 7, delete the word "solely";

On page 5, line 12, delete the word "fifteen" and insert in lieu thereof the word "thirty";

On page 5, line 20, delete the word "fifteen" and insert in lieu thereof the word "thirty";

On page 5, line 24, after the word "any", insert the following: 'migrant (as defined in Title 42, U.S.C. Section 242h)";

On page 6, line 8, delete the following: "No household's certification shall lapse or be otherwise adversely affected except pursuant to a fair hearing held in accordance with subsection (c) of this section or because of a failure to comply with the reporting provision below."

Mr. HOLLINGS. Mr. President, I have fought hard to improve the conditions of the poor of this country through an expanded food stamp program, increased commodity food distribution, an improved school lunch program, meals-on-wheels for the elderly, day care programs, and medical assistance.

My State now leads the South in the percentage of eligible families participating in the food stamp program, totaling some 380,000 persons. We have made great strides in improving our medical programs and providing special service to low-income families through preventive health care. Unfortunately, we still have far to go. More than 240,000 South Carolinians are poor enough to qualify for food stamp benefits, but they still have not been sufficiently encouraged to enter the program.

Today, we are considering the food stamp bill reported by the Agriculture Committee and its distinguished chairman, the Senator from Georgia (Mr. TALMADGE). This is an outstanding bill and brings about a number of needed reforms in the program. We also are now considering an amendment by the Senator from Massachusetts (Mr. KENNEDY). I have no doubt that the amendment offered today is well intentioned. But it raises a number of grave questions and, in my opinion, opens the door to those who would attempt to take advantage of the generosity of their country by fraudulently obtaining benefits from the food stamp program. Therefore, Mr. President, I am introducing an amendment to the amendment of the gentleman from Massachusetts to remove those objectionable portions of his amendment. My amendment would accomplish the following:

First. Strike the provision which would allow food stamp users to buy foreign or imported foods. In the face of our serious balance-of-payments problem, we simply cannot encourage a further deficit. Food manufactured in this country should be sufficient to meet all nutritional needs and most ethnic desires.

Second. Strike in its entirety the proposed change in the definition of "household." In my opinion, this proposal would create further opportunities for abuse of the food stamp program by hippies, families living in communes, strikers, and others who in the past have attempted to avoid the strict letter and spirit of the law in applying for food stamp assistance.

Third. Strike the provision which would require the Secretary of Agriculture to raise the amount of liquid and nonliquid assets possessed by families as an eligibility criteria from the present $1,500 to a level as high as $5,000 in cases of high unemployment or other economic disaster. The Secretary presently has authority to implement commodity food programs in such instances, which he did in Seattle, Wash., during a time of very high unemployment.

Fourth. Change the provision allowing increased food stamp allotments to those with medical diet problems to make sure that it only applies to persons with a disease, such as diabetes, or with some organic disability which require special foods.

Fifth. Strike the word "solely" from the provision relating to simplified application forms. It strikes me as grossly unfair to the taxpayer to require the State to accept or reject an applicant simply of the basis of the data contained in his application form, and not to have the right to investigate the applicant fully.

Sixth. Change the waiting period from 15 days to 30 days. Fifteen days may be too short a time for the State to carry out an adequate investigation of an applicant. The provision for temporary certification also would take effect after 30 days.

Seventh. Sharply restrict the so-called income averaging section of the amendment by limiting it to migrants as defined in title 42, section 242h of the United States Code. This would prevent teachers, football players or any other seasonal workers other than migrant workers from the opportunity to avoid the normal income criteria.

Eighth. Finally, my amendment strikes in its entirity the sentence requiring a State to conduct a full hearing before removing any household from the program. In my opinion, this could create a mountain of bureaucratic paperwork and serve further to destroy public confidence in this program. States need to be able to move swiftly and decisively against food stamp cheaters.

With these amendments, Mr. President, I can support this amendment, It has many good provisions, and I believe the changes I have proposed will encourage benevolent assistance to the needy poor as well as strong enforcement of those provisions aimed at eliminating fraud.

I believe one of the weaknesses of many welfare programs has been their reliance on complete control at the Washington level. The food stamp program has been an excellent example of this poor planning. What we need is more local control, not less. We need more local people participating in the program. It has always been my recommendation that we have more outreach workers. We have a highly successful nutrition aide program in South Carolina, but our State suffers from not spending enough of its own tax revenue to run this program. We take in nearly $4 million in sales tax revenue from purchases of food with food stamps, yet we spend only about $1.6 million in State revenue to run the program. This has to change. States must bear a larger burden of responsibility. More outreach workers are needed. More certification workers are needed. It is my sincere hope that this new legislation, when passed by Congress, will not only allow States to do a better job of administering this program, but will result in a further assault on the large numbers of our less fortunate citizens who are still suffering from hunger and malnutrition.

I urge my colleagues to support my amendment.

Mr. President, I have tried to pass around various copies of the amendment. It provides, as I have outlined just a few moments ago, for the striking of various sections to keep the integrity of the food stamp program, on the one hand, and to extend outreach on the other hand.

Specifically, looking at the outreach sections of the program, to go to the positive side of this matter, the Senator from Massachusetts' amendment would require South Carolina to have a minimum of some 70 certification workers, whose salary would be paid in part by the Federal Government. It says one for each 1,000 participating households. I checked with my State of South Carolina. We already have well over that number.

Then, under the further provision for households whose incomes are under the poverty level, we run into a problem. We have in our State some 383,263 persons participating with about 240,000 South Carolinians yet to be in on this particular program. Under the amendment of the Senator from Massachusetts, we would hire up to some additional 96 outreach workers.

In the Clemson Extension Service, Clemson University is directing a nutrition aide program, around the different areas of South Carolina. They are operating an education program so necessary to solve this problem.

This is one reason why I resisted the cash approach to the welfare and hunger problems proposed by President Nixon and others during the past several years. We cannot just throw money at the problem. It takes education. It takes outreach and enforcement to gain Federal support and have the support of the people for this program.

For the benefit of my colleagues, I intend to limit my time and yield to other Senators who are interested. I shall ask for a voice vote on my amendment, which would do the following:

Strike the provision which would allow

food stamp users to buy foreign or imported foods;

Strike the proposed change in the definition of "household";

Strike the provision which would require the Secretary of Agriculture to raise the eligibility criteria from $1,500 per family of assets to a level all the way up to $5,000.

We would change the provision allowing increased food stamp allotments to those with medical diet problems to make sure that it only applies to persons with a disease, such as diabetes, or with some organic disability which requires special foods, such as heart trouble.

We would strike the word "solely" from the provision relating to simplified application forms.

We would change the waiting period from 15 days to 30 days. I think we should try to accelerate the certification process. I have been encouraging my own State to do this. About $100 million is spent annually in South Carolina through the food stamp program. Yet with the 4 percent sales tax on food, we still only spend about $1.5 million. In other words, my State makes about $2.5 million in tax revenue on the Federal program through sales tax.

I have tried to convince my State that unless it improves, I am going to propose that what is not used to administer the food stamp program be returned to the Federal Government. We need greater participation in my State and in other States that may be in the same situation and which find they get the same results, but the need here is for increased State participation.

My amendment would further sharply restrict the so-called income averaging section of the amendment.

Finally, my amendment strikes in its entirety the sentence requiring a State to conduct a full hearing before removing any household from the program. We could get into the question of inherent rights and constitutional rights, and we could get into the position of having to have many hearings.

Mr. President, I yield part of my time to the Senator from Florida.

The PRESIDING OFFICER (Mr. CLARK). The Senator from Florida is recognized.

Mr. CHILES. Mr. President, what does the amendment of the Senator from South Carolina do to the provision with respect to the way they sign up for the program?

Mr. HOLLINGS. They still fill out applications and investigations are still provided for, rather than that word "solely" which is part of the Kennedy amendment. With that "solely" in the language, applicants could sign a simple statement and from that point on out the only way to dislodge a cheater would be to go through the hearing process.

Under my amendment, the burden to make an investigation is still present.

Mr. CHILES. Mr. President, one of the great problems, as I understand some of the things going on in my State is that agricultural workers right now have not been required to sign up and there is no kind of clearance.

Mr. HOLLINGS. That is provided that they do sign up. Existing law provides criminal prohibitions against offenders and those provisions are still present requiring enforcement.

We hear complaints about people not picking crops or not cutting timber or not accepting work. But if they are able-bodied people coming in for food stamps yet rejecting work, they would be cut off.

The law is clear. The Assistant Secretary of Agriculture has not asked for any additional changes under that particular provision, and I have read the hearing record of the Nutrition Committee. that, on the contrary, they had little in the way of violations.

The Senator from Florida and I hear about alleged violations and my understanding is that they are spurious as far as the "welfare Cadillacs" go. I have chased down these complaints and have found that in most cases there was a friendly neighbor with a new automobile, and because a food stamp user was an old lady who was a shut-in, she would take the old lady down to the store and help her get food.

The person making the complaint thought, because it was a nice lady and a nice new car, that something illegal was going on. However, we chased these stories down and uncovered the truth.

The provision against a violation is still in there. They must work.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield to the distinguished Senator from South Dakota.

Mr. McGOVERN. Mr. President, I am glad that the Senator from South Dakota made the point he did to try to bring up the matter of some of the charges made on the widespread violations in the program. As long as we have a program there are going to be a few violations.

As far as I am concerned, I am positive in my own mind that far more people are cheating on their income tax reports than on food stamps.

In the hearing presided over by Senator KENNEDY, on Monday of this week, Senator PERCY asked the Assistant Secretary of Agriculture this question:

Can you describe whether or not you feel there is taking into account the size of the program any excessive use of it, abuse of it, fraud, involved and what the Department is doing to try to prevent that, because the integrity of this program is the foundation of it and should it become know that it's being abused, excessively, then certainly it would undercut the whole purpose of it.

Mr. Yeutter replied:

I'm very pleased that you raise that issue, Senator Percy, because it's one that constantly arises, particularly from critics of the program who seek means by which it may be castigated or indicted. And each time a violation is prosecuted it makes big headlines. And many people assume that that means that everyone in food stamps is cheating and there is massive fraud and massive violative intent.

That simply is not the case. In fact I was personally surprised to find the rate of violation to be so low and I think it very encouraging that we have a situation where really most people are still basically honest and probably people in participating in these programs are just as basically honest as people who do not participate in these programs.

Then in conclusion, Mr. Yeutter reached the conclusion:

It has been remarkably free from fraud.

As the Senator from Massachusetts says, there is nothing in the amendment that in any way weakens enforcement powers. Wrongdoers can still be prosecuted. We have the testimony of the Department of Agriculture that violations are rare.

I think that the Senator from South Carolina is absolutely right when he says that when we start to check any of these charges out, we find that they are usually groundless.

I wanted to make that point to keep the matter in perspective.

Mr. HOLLINGS. Mr. President, Johnnie M. Walters from South Carolina was Commissioner of the Internal Revenue Service. I asked him, and as I remember it, he told me they pull about 3 million returns annually for audit. They find that about 10 percent of our citizens are directly engaged in fraud each year.

If we had 10 percent of the 12.5 million who are on food stamps violating the provisions, we would have 1,200,000 running around in violation of the law.

I am confident that we do not have anything close to as high a percentage of violators of the food stamp provision as we do cheating on income tax returns.

The PRESIDING OFFICER. All time of the Senator from South Carolina has expired.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from Iowa.

Mr. CLARK. Mr. President, I would like to join with my distinguished colleague, Mr. KENNEDY, in support of his amendment to S. 1888 as it is written. When faced with the fact that there are 8 million people in America today who are eligible for food stamps and who are not receiving them, it is apparent that some mechanism for identifying and informing these people is imperative. At a time of unprecedented national wealth, it is appalling that there are still people in this country who go hungry, that there are still people who suffer from malnutrition because even though they may have something to eat, they do not have the right things to eat.

Food has the remarkable property of satisfying not only our physical needs, but our social and emotional needs as well. Its nutritive value has a direct bearing on our health and is a determining factor in the quality of our lives. The effects of nutrition—its absence or its presence—begin the day we are born and remain with us the duration of our lives. While the significance of its impact in the earlier years of life carries over into the later ones, there are some very special considerations which require special attention in the case of the Nation's elderly. A few days ago, here on the Senate floor, I touched upon some of the problems—elderly problems, their problems of immobility, physical handicaps, inability or unwillingness to fix a proper diet.

I also pointed out estimates that perhaps half of the health problems of the elderly are attributable to inadequate nutrition. Several years ago a project director on aging illustrated a very

unique problem of the elderly. In drawing a profile of an older American, he pointed out the tendency to withdraw in a kind of "isolation." That older American pays his own bills, lives within his own means, gradually drops away from social clubs and contacts, churches, calls no particular attention to his needs until hospitalization is imminent—in essence he is almost deliberately inconspicuous. Common methods of reaching him through the media or even through such admirable approaches as "Project Find"—which reached and identified over 100,000 new persons eligible for food stamps—do not have the same degree of success in persuading the withdrawn, the rejected, as a person-to-person encounter.

There is no doubt that the disgrace of hunger exists in America today. Although we do not yet have all the solutions necessary to its elimination, we do have some of them. The food stamp program is one Government program that works and works well. We can have greater participation in that program if we adopt just such initiatives as this amendment proposes. It seems to me that the small investment that we make in efforts to seek out the malnourished and rehabilitate them so they can live their lives in good health, effects a return that cannot even be measured. For this reason I support, and support wholeheartedly, the amendment offered here today.

Mr. TALMADGE. Mr. President, I shall be very brief. The amendment offered by the distinguished Senator from South Carolina removes many opportunities for fraud and abuse in the amendment proposed by the distinguished Senator from Massachusetts. However, this would still increase the cost of the program approximately $319 million a year.

The biggest objection I have to it is that it mandates the employment of 8,400 new State employees, of which the Federal Government would pay 80 percent of the cost and the States would pay 20 percent.

I do not think those employees are needed.

I yield the remainder of my time to the distinguished Senator from Florida.

The PRESIDING OFFICER (Mr. BENTSEN). The Senator from Florida is recognized.

Mr. CHILES. Mr. President, the distinguished Senator from South Dakota has said that the Assistant Secretary of Agriculture finds little fraud involved in the program.

I had a meeting in my office yesterday with an official from the USDA, the director of the food stamp program. He tells me that they do not even know what is going on in Florida as to whether Florida is following their regulations. And if they do not think there is any fraud involved, they do not know what is going on in the State.

It is because they are in such a chaos of trying to put in the new regulations and trying to set up an audit that right now we do not really know what is going on.

But with any program in which you can see you never have any cases brought—and again they tell me they cannot bring any cases because they have to go into the Federal district courts, and the courts and prosecutors do not want to take the time, so people generally have the feeling that they are not going to be prosecuted—with no one checking up on what they are doing and why, there are thousands and thousands of people who deserve the program that should not be talked bad about because they have the food stamps, but if we are going to try to keep the program for them, we have to find some way to weed out the people who are stealing, those who do not deserve the program, and the people who will not work. Unless we can do something like that, the program is going to be destroyed.

Mr. KENNEDY. Mr. President, will the Senator from Georgia yield 1 minute on the bill?

Mr. TALMADGE. I yield the Senator from Massachusetts a minute on the bill.

Mr. KENNEDY. Mr. President, let me point out that the amendment as proposed would cost some $23 million. Under the amendment to the amendment, this outreach program, based upon the formula requiring approximately 6,000 individuals at $5,000 per person nationwide—comes to $30 million, and the Federal Government would pay 80 percent of that, which would make it also cost approximately $23 million. It would be less because some States like South Carolina, pay less than $5,000 to the outreach works. Where the other statistics come from is a mystery to me, even with regard to the amendment itself, without the Hollings amendment.

Mr. HOLLINGS. Mr. President, remember the cost is $23 million, not $319 million. I move the adoption of the amendment.

Mr. TALMADGE. Mr. President, I yield ½ minute to the acting majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. Talmadge and Mr. Buckley, the Senator from Wisconsin (Mr. PROXMIRE) be recognized.

The PRESIDING OFFICER. Is there objection?

Mr. BUCKLEY. Mr. President, reserving the right to object, I believe the original order calls for four amendments.

Mr. ROBERT C. BYRD. No, the original order calls for an amendment by Mr. BUCKLEY. Would the Senator like to follow the Senator from Wisconsin?

Mr. BUCKLEY. Yes, I would.

Mr. ROBERT C. BYRD. I ask unanimous consent to that effect.

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

Mr. ROBERT C. BYRD. I ask unanimous consent that following the rollcall vote about to occur, any additional rollcall votes today consume only 10 minutes, with the warning bell to be rung after the first 2½ minutes.

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

Mr. HOLLINGS. Mr. President, I ask for the adoption of the amendment.

The PRESIDING OFFICER (Mr. BENTSEN). The question is on agreeing to the amendment of the Senator from South Carolina (Mr. HOLLINGS) to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

The amendment was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be a rollcall vote on the amendment of the Senator from Massachusetts (Mr. KENNEDY), as amended.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the yeas and nays on the amendment be withdrawn.

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

The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY), as amended.

The amendment, as amended, was agreed to.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent that time on any rollcall vote today consume only 10 minutes, with the warning bell to be sounded after the first 2½ minutes.

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

Mr. ROBERT C. BYRD. And I suggest that both cloakrooms so inform all Senators.

The PRESIDING OFFICER. Pursuant to the previous order, the Senator from Indiana (Mr. BAYH) is to be recognized at this point.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

Mr. CURTIS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. Mr. President, I have an amendment with which I am prepared to proceed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, without prejudice to the Senator from Indiana (Mr. BAYH), the Senator from Kansas (Mr. DOLE) be recognized to offer an amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Kansas is recognized.

AMENDMENT NO. 186

Mr. DOLE. Mr. President, I call up my amendment No. 186 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 51, between lines 15 and 16, insert the following:

Rural Environmental Assistance Program

(29) The second paragraph of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, is amended to read as follows:

"Notwithstanding any other provision of law, payments made pursuant to the authority granted under this Act shall be made only for the construction of permanent dams, terraces, ponds, waterways, and other soil-conserving facilities and measures of a similar type that are permanent in nature (including measures to establish permanent erosion control cover), and which are approved by the social conservation district in consultation with the appropriate local or county committee. No payment under this section shall

exceed an amount equal to 50 per centum of the total cost of the facility, excluding the cost of the land. Payments under this section may be made in periodic installments as construction is completed.".

Mr. TALMADGE. Mr. President, will the distinguished Senator yield?

Mr. DOLE. I yield.

Mr. TALMADGE. The Senate has passed the REAP program by a vote of 72 to 0, as I recall, and it is now pending in conference. As I understand the Senator's amendment, it would be a modified version of what the committee has agreed to unanimously and the Senate has already passed by a vote of 72 to 0.

Mr. DOLE. That is correct.

Mr. TALMADGE. Then, if the distinguished ranking minority Member has no objection, I am agreeable to accepting the amendment without further debate.

Mr. CURTIS. I have no objection, Mr. President.

Mr. AIKEN. Mr. President, I object, until I have an opportunity to ask a question.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. I yield to the Senator from Vermont for a question.

Mr. AIKEN. Mr. President, I would like to ask the distinguished Senator from Kansas if the language of his amendment, where it reads "(including measures to establish permanent erosion control cover), and which are approved by the social conservation district in consultation with the appropriate local or county committee," would allow the use of lime, if it was found by the conservation district and the appropriate county committee to be necessary for erosion control.

As the Senator from Kansas knows, I am sure, in my State of Vermont the soil is quite acidic, and periodic liming is considered to be a permanent practice necessary for erosion control cover and pollution abatement, as it prevents runoff.

Mr. DOLE. Let me say to the distinguished Senator from Vermont that it is clearly the intent of our amendment that if the appropriate soil conservation district, after consulting the appropriate county committee, decides that liming is necessary for permanent cover control, this could be considered a part of a permanent practice, although it is not intended that it be done every year. If it is in the State of Vermont considered to be permanent, certainly nothing in my amendment would negate that.

Mr. AIKEN. Some of the erosion control plans we use do require that the soils be sweetened, otherwise they do not do their duty.

I thank the Senator from Kansas for answering this question as I hoped he would, and I have no objection now to accepting the amendment by a voice vote.

The PRESIDING OFFICER. Is all time on the amendment yielded back?

Mr. DOLE.

SUPPORT FOR THE RURAL ENVIRONMENTAL ASSISTANCE PROGRAM

Mr. DOLE. Mr. President, earlier this year both the House and the Senate took prompt action in passing legislation to reinstate the rural environmental assistance program—REAP. The action resulted in two different versions of the bill, since the Senate also added the provision to reinstate the water bank program at the same time.

A joint conference committee worked out the differences, and the House received a report on the conference action April 2. No action has since been taken on H.R. 2107 and farmers continue to write asking when we will have action on this important legislation. It is time that we face the realities of the legislative situation and the responsibilities of securing approval for this program.

REAP is important because it supports essential, permanent conservation practices that are necessary to the preservation of the soil and more effective utilization of moisture throughout the Nation. Water retention dams make a significant contribution to controlling run-off of water that eventually contributes to urban damage in flooding, and they are of considerable assistance in maintaining adequate water supplies, both in rural and urban areas.

With the announcement of the program's termination and throughout the consideration of the legislation to reinstate it, I and most of my Senate colleagues received thousands of letters urging the reinstatement of the program.

Kansas farmers are now asking why we have not acted to approve the conference report. I must respond, frankly, that we are fearful of another veto of this important legislation. We recognize it as a very real possibility since H.R. 2107 mandates implementation of the full program, and it is doubtful that we could override such a veto. The Congress has so far failed to override two vetoes dealing with impoundment of funds, so it is highly unlikely that any different result could be expected with the full REAP authorization bill.

This is not to say, however, that Kansas farmers are not sympathetic with the President's goal of holding Federal spending down. They do want economy in government, but they feel that the whole REAP program should not be sacrificed. I would like to quote from a Resolution passed by the Kansas Legislature. It says in part:

> The farmers and ranchers are sympathetic to the Administration's objective of preventing more inflation and would favor eliminating conservation practices which are of a temporary nature from the program and assuming the full cost of maintaining such temporary practices themselves.

I believe this is a reasonable and fair proposition. And in recognition of this position of the Kansas State Legislature and the thousands of Kansas farmers who have written urging such action, I call up amendment No. 186, an amendment designed to reinstate such permanent conservation practices on a cost-sharing basis.

The amendment provides for cost sharing up to 50 percent for the construction of dams, terraces, ponds, waterways, or other similar, permanent soil conserving facilities.

Such conserving practices are necessary to preserve the raw material—the land and water—with which our farmers produce the food and fiber the people of this Nation and the world need. They also contribute greatly to the overall supply of water and flood control to the benefit of our urban population.

Since the prior legislation has reached an impasse, I urge my colleagues to accept this amendment to authorize reinstatement of only the permanent features of REAP. They are important to rural and urban America, and they should be supported as a wise and prudent investment in the future of our country.

The committee staff has estimated the cost of this authorization at approximately $70 million, a considerable savings from the budget estimate for the current year of $140 million.

Mr. President, I ask unanimous consent to have a fact sheet on the REAP program printed in the RECORD at this point.

There being no objection, the fact-sheet ordered to be printed in the RECORD, as follows:

BACKGROUND INFORMATION ON AMENDMENT NO. 186

USDA terminated the REAP program December 22, 1972.

H.R. 2107 mandating the expenditure of REAP funds was passed by both Houses.

Consideration of the report from the Joint Conference Committee on this legislation was delayed as it was felt that a similar bill mandating water and sewer grant expenditure would have a better chance of overriding a veto. The veto on that legislation was sustained.

The Conference Report is still pending consideration in the House; however, it is not felt that this measure will be further considered.

Meanwhile all REAP programs are suspended. 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 the past three Administrations has been the annual repetitive or production type practices, such as liming, tree planting, seeding, mulching, etc. 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.

The proposed amendment would:

Limit cost-sharing to 50% for approved permanent practices.

Plans would be approved by Soil Conservation Service Board and coordinated with the appropriated local or area committee.

Planting trees, 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 an SCS approved permanent practice.

Cost estimates for this reduced program are $70 million compared with $140 million budget.

ADDITIONAL INFORMATION REGARDING REAP PROGRAM

The program was established by Congress in 1935. The first appropriation was made for fiscal year 1937. Its name was changed from the Agricultural Conservation Program (ACP) to the Rural Environmental Assistance Program (REAP) January 6, 1971.

The following figures in million of dollars are divided into three categories: budget estimate (request), amount appropriated by

Congress, and the program level, which was the amount actually spent because of freezes, etc.

	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	220.0	220.0
1968	100	220.0	195.5
1969	100	195.5	195.5
1970	[1] 0	195.5	185.0
1971	[1] 0	195.5	150.0
1972	140	195.5	195.5
1973	140	225.5	[2] 140.0

[1] The original request was $100,000,000. It was amended to 0.
[2] Program terminated Dec. 22, 1972.

Mr. DOLE. I yield back the remainder of my time.

Mr. TALMADGE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 186) of the Senator from Kansas (Mr. DOLE).

The amendment was agreed to.

AMENDMENT NO. 213

Mr. PEARSON. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to do that, notwithstanding the previous order?

Mr. PEARSON. Yes; I so ask unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas. The Chair hears none, and it is so ordered, and the Senator is recognized for that purpose. Will the Senator from Kansas state the number of his amendment?

Mr. PEARSON. It is amendment No. 213.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PEARSON. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 46, line 17, strike out the double quotation marks.

On page 46, between lines 17 and 18, insert the following:

"SEC. 818. Notwithstanding any other provision of law, the Secretary of Commerce shall conduct a census of agriculture in 1974 as required by section 142 of title 13, United States Code, and shall submit to the Congress, within thirty days after the date of enactment of the Agriculture and Consumer Protection Act of 1973, an estimate of the funds needed to conduct such census."

Mr. PEARSON. Mr. President, in 1967 Congress revised the census laws to provide that every 5 years there be an agricultural census.

Mr. TALMADGE. Mr. President, will the Senator yield at that point?

Mr. PEARSON. I yield.

Mr. TALMADGE. Is this the amendment proposed by the Senator to mandate the Secretary of Commerce to have a census of agriculture?

Mr. PEARSON. It is.

Mr. TALMADGE. I am willing to accept the amendment, and I yield back the remainder of my time.

Mr. CURTIS. Mr. President, I have no objection to the amendment being adopted by voice vote.

Mr. PEARSON. Mr. President, this amendment makes it mandatory for the Secretary of Commerce to conduct a census of agriculture in 1974 as required by section 142 of title 13 in the United States Code.

The administration has indicated that it does not intend to conduct the 1974 census of agriculture. Fiscal 1973 funds have been impounded and the necessary funds to conduct the census have not been requested in the 1974 budget. The administration proposes to eliminate the 1974 census and combine it with the 1977 census of manufacturing. This is clearly in conflict with statutory provisions and congressional intent.

In 1957 the Congress in revising the census laws provided for a census of agriculture to be conducted in 1959 and in every fifth year thereafter. It was the judgment of the Congress that a comprehensive census of agriculture every 5 years was essential in identifying trends in agricultural production and organization. The information provided by such a census was considered vital to Congress in writing future farm legislation. It was also considered to be of great importance to the farmers and industries serving agriculture in the making of basic economic decisions. Unlike the industrial sectors of our economy there is a lack of internal information gathering procedures for spelling out trends within the farm sector.

The census of agriculture provides basic benchmark information on which forecasts regarding crop and animal production can be measured and evaluated. And this, of course, is extremely important because accurate forecasting of farm production and land use trends is vital not only to farmers but to consumers and the country as a whole. It is, also, the case that many Federal, State, and local programs are administered on the basis of information provided by the agriculture census.

The importance of continuing the agriculture census on an every fifth year basis is even more important today than in the past because the rate of change in agriculture has accelerated.

Also, yesterday the Senate adopted an amendment requiring the Department of Agriculture to provide the Congress with annual, detailed reports about trends on family farms and vertically integrated operations and if the Department is going to fill these obligations the continuation of an agricultural census is absolutely essential.

Mr. President, Public Law 85-207 clearly specifies that a census of agriculture shall be taken every fifth year. This amendment restates that provision of law and I urge its adoption.

I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I wish to join Senator PEARSON in cosponsoring amendment No. 213 to this bill. I have introduced Senate Joint Resolution 95, which does much the same thing as this amendment. I understand that the Post Office and Civil Service Committee will report my joint resolution. I ask unanimous consent that a copy of my joint resolution and my testimony in support of it be printed at this point in the RECORD.

There being no objection, the statement and text of the joint resolution were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HUMPHREY

My introduction of S.J. Res. 95 was prompted, first, by the Nixon Administration's impoundment of planning funds which the Congress earlier appropriated to prepare for conducting the 1974 Census of Agriculture, and, second, by the Administration's subsequent failure to request any funds in its fiscal 1974 budget for actually conducting this vitally important census.

A resolution similar to S.J. Res. 95 has been introduced in the House by Representative Frank Evans of Colorado.

All of the evidence that I have seen to date clearly indicates that these actions were unilaterally initiated by the Bureau of the Census and the Office of Management and Budget without prior consultation with the Congress, the Federal Statistical Users Conference, or even with the Bureau's own Census of Agriculture Advisory Committee.

I have in my possession several documents which I request be made a part of this hearing record, and on which I will comment.

One of these documents is a report sent out earlier this year by Mr. John H. Aiken, Executive Director of the Federal Statistical Users Conference, to the members of the Conference.

Another is a copy of the minutes of a meeting held on February 23, 1973, of the Bureau of Census' Advisory Committee on Agriculture Census.

A third is the results of a survey conducted by the Miller Agricultural Research Services, based in Minneapolis, Minnesota, to determine the attitudes and reactions of over 1,000 individuals relating to the Administration's proposed delay of next year's agriculture census until 1977.

And the fourth is another special report issued by Mr. Aiken of the Federal Statistical Users Conference dated May 16, 1973, summarizing developments that have occurred to date regarding this matter.

I believe, Mr. Chairman, that even a cursory review of these documents will reveal two important facts:

(1) Nobody, other than the Bureau of the Census and the OMB, were in any way involved or consulted regarding the Administration's delay of next year's agriculture census prior to the impoundment of the funds Congress appropriated for the planning of it.

(2) The proposal to delay the census itself has little or no support outside of the Bureau and OMB.

In fact, although the Administration has finally gotten around to submitting draft legislation to change the existing law which requires a census of agriculture next year, no Senator or Congressman, to the best of my knowledge, has agreed to introduce that legislation to date!

Agriculture as an industry has a need for more, not less, accurate data collected and disseminated by the government. Its needs in this regard are greater than those of any other industry because it is the only industry where internal and external competition prevail in most of its markets.

In other words, it is an industry made of many unconnected parts with competitive

forces operating both within each part as well as among its parts.

I believe that the Office of Management and Budget bias against maintaining or increasing government expenditures for agriculture statistics, a bias of long standing, is the result of its failure to understand the extent to which the efficient functioning of the entire food and fiber industry is dependent on comprehensive, accurate and timely government data.

The 1969 Agricultural Census was seriously incomplete or inaccurate in some sections of the United States. Delays in the release of data in excess of 2 years, in some cases, limited its usefulness. These deficiencies should be overcome in future agricultural censuses.

Moreover, the constant changes which occur in the structure of agriculture and in the technology used to collect and analyze data must be recognized in the census. Such adjustments in the methods of collecting agricultural data should be decided jointly by the Department of Agriculture and the Bureau of Census, in consultation with the appropriate committees of the Congress. In other words, we must keep abreast of change and new knowledge so that we secure the most timely, most accurate, comprehensive agricultural data.

Surely, this would not be achieved by delaying the 1974 Agricultural Census to 1977, and shifting its supervision to the administrator of the Census of Business.

On May 16, 1973, Mr. Don Paarlberg, Director of the Agricultral Economics for USDA, submitted a new plan to Senator Herman E. Talmadge, Chairman of our Senate Committee on Agriculture and Forestry.

Dr. Paarlbergs' plan would involve collecting much of the data now provided in the regular agricultural census on only a sample basis each year.

This plan was submitted to Chairman Talmadge in response to a request made by him on February 5, 1973. To the best of my knowledge, neither Senator Talmadge nor other members of our Committee on Agriculture have had an opportunity as yet to comment on Dr. Paarlberg's proposal. While I have not had an opportunity to examine carefully Dr. Paarlberg's proposal, I have looked it over briefly and would like to raise the following questions with respect to it which you and members of the Committee might wish to explore in greater detail when Dr. Paarlberg appears before you later today.

(1) Does this proposal represent an alternative to conducting an agricultural census at 5 year intervals, and, if so, is the Administration prepared to support such a proposal in lieu of its proposal to delay the census until 1977?

(2) Has this or similar proposals been reviewed and commented on by the Bureau's Advisory Committee on Agriculture Census or the Federal Statistical Users Conference? If so, what are their views?

(3) How would this proposal, which would rely mainly—if not exclusively—on sample data, affect the collection of county data which is so important to users of both agricultural data and social data?

(4) Does not the $29.3 million estimated as necessary to carry out Dr. Paarlberg's proposal amount to more than would be required to carry out the regular Census of Agriculture next year? The $26 million cited as the cost of the 1969 Census of Agriculture included, I believe, the cost of four other special censuses, plus 11 special surveys. Moreover, the $26 million included the costs for publishing the data, a cost which does not appear to be included in the cost estimate for Dr. Paarlberg's proposal.

(5) Finally, would not Dr. Paarlberg's proposal require that the USDA receive personal information previously held in strict confidence limited by law to the Census Bureau? Can we reasonably expect farmers or the Congress to permit a change in this careful policy of confidentiality?

I hope you will ask these general questions of Dr. Paarlberg regarding his proposal.

Also, we should not lose sight of the fact that his proposal has not been endorsed as an acceptable alternative by the Administration. It is a proposal that he has submitted to the Chairman of our Senate Agriculture Committee in response to the Chairman's request.

I believe an immediate resolution of this entire matter is required. With every passing day, it will become increasingly difficult to proceed with any type of census of agriculture next year—whether one of a traditional nature or on some new basis.

Also, let's not lose sight of the fact that the Division of Agriculture Census in the Bureau of Census already has released or transferred many of its professional employees needed to conduct next year's census of agriculture.

This entire situation is yet another example of how OMB has taken it entirely upon itself unilaterally to violate the law through delay and inaction. Administration dismissal of Ag-Census employees, plus their delay in submitting the legislation required to avoid an agriculture census next year, show contempt for the law and for the Congress.

While I believe the proposal submitted by Dr. Paarlberg to our Agriculture Committee Chairman should be carefully examined by this Committee and others, I also believe that this entire matter must be brought to a head promptly so further delays can be avoided.

In short, Mr. Chairman, I wish to urge immediate and favorable action on S.J. Res. 95 so we can proceed with the planning and implementation of next year's Census of Agriculture—an existing statutory requirement of this nation.

S.J. RES. 95

Joint resolution relating to the taking of the 1974 Census of Agriculture

Whereas the President has not requested any funds in the budget for fiscal year 1974 for taking the 1974 Census of Agriculture, required by section 142, title 13, United States Code, to be taken every five years, and has proposed that the taking of such census be postponed until 1977; and

Whereas the President has proposed that funds appropriated for fiscal year 1973 for the purpose of planning the 1974 Census of Agriculture be used instead to plan a transition from a 1974 census to a 1977 census; and

Whereas the information from the census of agriculture provides the only complete agricultural data available at the county level for rural America, and

Whereas the agricultural industry and rural America are changing at such a rapid rate that data compiled even at five-year intervals do not fully reflect actual conditions that exist many months later when the data are published; and

Whereas, many Federal, State, and local programs are provided on the basis of agricultural census information; and

Whereas many major corporations and trade associations use the data from such census to determine plant sites, allocate research funds, and forecast production needs; and

Whereas the census of agriculture provides the benchmark for interim forecasting of animal and crop production and land use; and

Whereas farmers, ranchers, farm organizations, and businesses serving agriculture base their economic decisions on such interim forecasts; and

Whereas statistical errors in such interim forecasts can be corrected only through comparison with census benchmark data; and

Whereas decisions based on faulty crop forecasts adversely affect the agricultural sector; and

Whereas the agriculture industry is the largest single industry in the Nation, accounting for a gross income of over $66,000,000,000 in 1972; and

Whereas the exports of such industry exceeded $11,000,000,000 in 1972, contributing to a reduction in this country's balance of trade deficit; and

Whereas this gigantic industry is made up of more than two million seven hundred thousand individual units, each making its own independent decisions affecting the whole; and

Whereas more information is needed, and is needed on a more frequent basis than now provided rather than on a less frequent basis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce is authorized and directed to prepare an estimate of the funds needed to carry out the statutory mandate for conducting a census of agriculture in 1974 and to submit such estimate to the Congress not more than thirty days after the date of enactment of this joint resolution. Funds heretofore or hereafter appropriated for planning for the 1974 Census of Agriculture shall be utilized for such purpose.

SEC. 2. The Secretary of Commerce shall take such action as he deems necessary to insure that the data acquired from the 1974 Census of Agriculture be made available to the public through appropriate publication as soon as practicable following the taking of the census, and in all events in a shorter period than data was made available to the public following the 1964 and 1969 censuses of Agriculture.

Mr. McGEE. Mr. President, this amendment results from the action of the Department of Commerce in failing to use funds appropriated for planning the 1974 census of agriculture and proposing in its budget estimates this year that the census be delayed until 1977. Yet article 142 of title 13 of the United States Code requires that a census of agriculture be taken beginning in October of 1974.

The Committee on Post Office and Civil Service has pending before it a resolution introduced by the Senator from Minnesota (Mr. HUMPHREY) and cosponsored by the Senator from Iowa (Mr. CLARK) and me which is intended to achieve the same purpose as this amendment—conduct of the 1974 census of agriculture as required by law. A hearing on that resolution was conducted May 23 by the Post Office and Civil Service Committee, which is very near to reporting the measure to the Senate.

Mr. President, I do not view this amendment and that resolution as conflicting in the least. Indeed, one may complement the other, for the resolution can have the salutary effect, if enacted, of spurring earlier action on the needed budget estimates for conduct of the census. If proper planning, which already has been drastically delayed by a lack of application to the letter of the law, is to take place, then there should be no undue delay in making the funds available. In truth, however, there are funds available today to go ahead with planning a proper census of agriculture. Since article 142 of title 13 is the law and no move has been made in this body or the House of Representatives to alter

that law, I am of the opinion the Department of Commerce should delay no longer.

Mr. President, at the hearings in the Committee on Post Office and Civil Service, presided over by the Senator from North Dakota (Mr. BURDICK), there was overwhelming testimony that the action of the administration in proposing to further extend the already extensive gap in available agricultural data was taken against the best advice of knowledgeable experts in the field. The Advisory Committee on Agricultural Statistics, a census advisory committee, for instance, voted 15 to 1 in favor of going ahead with the census as required by law. Yet that was not done. I offer a brief paragraph from the minutes of the February 23, 1973, meeting of the advisory committee to underscore that statement. The minutes read:

A motion for a recommendation that the 1974 census be carried out in accordance with the present law was made and seconded. A substitute motion that the Committee make no recommendations on this subject was then made, seconded, and put to a vote. The substitute motion lost, with a vote of two in favor and fourteen opposed. The previous motion was then voted on and carried by a vote of fifteen in favor and one opposed.

There is a point that needs to be driven home. It is simply that the 1974 census of agriculture needs to be an impovement over the 1964 and 1969 performances by the Bureau. Indeed, the 1969 census of agriculture is not fully reported at this time, and will not be for some time to come. Agriculture—America's largest industry—and rural America deserve an all together higher priority than has been given to them to date by the census planners at the Department of Commerce and the budget planners at the Office of Management and Budget.

A census of agriculture is needed, though, to get at the county data. It needs to be reported with greater alacrity than have been the prior two censuses. And to the extent humanly possible in the 16 months remaining before the 1974 census is to begin, action needs to be taken to update the census of agriculture in order to account for major changes which have taken place in agriculture.

The Committee on Post Office and Civil Service does intend, Mr. President, to maintain vigilance to insure that the intent of Congress is met. The Congress as a whole will, I am sure, entertain proposals to improve upon the effectiveness of this and other censuses. But the proposal dropped on us this year to widen the gap in our knowledge of what's happening in rural America and in our agricultural industry made no sense, and I am pleased the Senate has acted as it has to go forward with the Census.

Mr. President, because it makes some valid points that need to be stressed in this context, I ask unanimous consent that the text of Senate Joint Resolution 95 be printed in the RECORD at this point, along with but a few of the many letters I have received which point up the need for action such as the Senate has taken today.

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

S.J. RES. 95

Joint resolution relating to the taking of the 1974 Census of Agriculture

Whereas the President has not requested any funds in the budget for fiscal year 1974 for taking the 1974 Census of Agriculture, required by section 142, title 13, United States Code, to be taken every five years, and has proposed that the taking of such census be postponed until 1977; and

Whereas the President has proposed that funds appropriated for fiscal year 1973 for the purpose of planning the 1974 Census of Agriculture be used instead to plan a transition from a 1974 census to a 1977 census; and

Whereas the information from the census of agriculture provides the only complete agricultural data available at the county level for rural America, and

Whereas the agricultural industry and rural America are changing at such a rapid rate that date compiled even at five-year intervals do not fully reflect actual conditions that exist many months later when the data are published; and

Whereas many Federal, State, and local programs are provided on the basis of agricultural census information; and

Whereas many major corporations and trade associations use the data from such census to determine plant sites, allocate research funds, and forecast production needs; and

Whereas the census of agriculture provides the benchmark for interim forecasting of animal and crop production and land use; and

Whereas farmers, ranchers, farm organizations, and businesses serving agriculture base their economic decisions on such interim forecasts; and

Whereas statistical errors in such interim forecasts can be corrected only through comparison with census benchmark data; and

Whereas decisions based on faulty crop forecasts adversely affect the agricultural sector; and

Whereas the agriculture industry is the largest single industry in the Nation, accounting for a gross income of over $66,000,000,000 in 1972; and

Whereas the exports of such industry exceed $11,000,000,000 in 1972, contributing to a reduction in this country's balance of trade deficit; and

Whereas this gigantic industry is made up of more than two million seven hundred thousand individual units, each making its own independent decisions affecting the whole; and

Whereas more information is needed, and is needed on a more frequent basis than now provided rather than on a less frequent basis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce is authorized and directed to prepare an estimate of the funds needed to carry out the statutory mandate for conducting a census of agriculture in 1974 and to submit such estimate to the Congress not more than thirty days after the date of enactment of this joint resolution. Funds heretofore or hereafter appropriated for planning for the 1974 Census of Agriculture shall be utilized for such purpose.

SEC. 2. The Secretary of Commerce shall take such action as he deems necessary to insure that the data acquired from the 1974 Census of Agriculture be made available to the public through appropriate publication as practicable following the taking of the census, and in all events in a shorter period than data was made available to the public following the 1964 and 1969 censuses of Agriculture.

INTERNATIONAL HARVESTER CO.,
Chicago, Ill., May 18, 1973.

Senator QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: As a major manufacturer of agricultural equipment, International Harvester Company has always held in highest regard the welfare of the American farmer. For nearly 150 years, we have served him through the manufacture of a wide variety of power and machinery products. We rely heavily on the Census of Agriculture which has been taken every five years to supply us with information regarding agricultural trends for the various types of farms at the county level.

We have been concerned about the attempts which have been made to postpone the 1974 Census of Agriculture to 1977. Associated with that postponing action was the recommendation to make substantial changes in the Census including changes in the definition of farms. While we recognize the need for certain changes in the agricultural census in order to identify and quantify key factors in the present and future agricultural industry, to break the time sequence and to change definition at the same time would destroy practically all of the important historical trends relating to this important industry.

We, therefore, stand in support of the Senate Joint Resolution #95 in which it is recommended that the Secretary of Commerce be directed to conduct the 1974 Census of Agriculture on schedule and that funds be appropriated for accomplishing this task.

We further support the recommendation that the data acquired from the 1974 Census of Agriculture be made available through appropriate publications in a shorter time period than the data was made available to the public following the 1964 and 1969 Censuses of Agriculture.

Sincerely,

D. C. HANEY,
President.

GRAPHICS UNLIMITED,
Eaton, Colo., May 21, 1973.

Hon. GALE W. MCGEE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SIR: During our recent attendance in Memphis at the 1973 N.A.M.A. Farm Marketing Seminar, we are made aware that there is a strong possibility of losing the Census of Agriculture. We are very concerned about that possible loss.

The Census of Agriculture provides the only complete data at the county level on rural America. We use this data to determine promotional budgets and possible demand for the products of our clients.

Due to the dynamic nature of agriculture at this point in time not having comparable benchmarks till 1980 or 1981 would severely handicap our efforts to do an efficient job in our forecasting.

The lack of 1974 census data would also hamper the budgetary and allocation efforts of many Federal, State, and local programs as well as other corporations in their plant site selection, and production forecasting.

American agricultural exports exceeded $11 billion in 1972 and are increasing each year and are a healthy offsetting factor to our nations balance of trade deficits. Elimination of the Census would severely hamper agriculture in its efforts forecast demand and therefore would cut efficiency.

As the largest single industry in America, agriculture accounted for a gross income of $66 billion in 1972. Agriculture is a unique and distinct industry with many variables not encountered by other industries and to try and consider agriculture in the same light as the steel industry would be foolhardy.

It is our hope that the following action be taken:

(1) That the Senate and House of Representatives in Congress direct the Bureau of Census to develop a schedule of funds needed to carry out its statutory mandate to conduct a Census of Agriculture in 1974.

(2) That the Bureau of Census use the funds appropriated in 1973 for planning the 1974 census.

(3) That the Bureau of Census develop a publication of data acquired during the census to the end that it becomes available for public use sooner than was the case following the 1964 and 1969 Census of Agriculture.

More information is needed on an even more timely basis than is now available.

Thank you for your time and consideration.

Respectfully,

D. DELBERT HARSH,
Research Director.

MISSOURI NETWORK, INC.,
Jefferson City, Mo., May 24, 1973.

Hon. GALE W. MCGEE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR MR. MCGEE: We have recently learned that the Bureau of the Census has not used appropriated funds for planning the 1974 Census of Agriculture, and has plans to delay, eliminate, or merge with another census. We are very much opposed to these moves.

Please let us briefly relate how we depend upon this census in our business:

a. This is the only way we have of obtaining a county-by-county breakdown of agriculture production in Missouri, and thus portray to prospective advertising accounts how our affiliates are well-placed to cover Missouri agriculture for them.

b. This is the only commodity-by-commodity breakdown available on a county basis. We use to show prospective advertisers how best to promote agricultural products and services geographically.

c. We determine our programming based upon what crops are produced where and to what extent. For example, we know that 83.2 percent of the corn produced in Missouri is produced in counties covered by the Missourinet. (Based on 1969 Census of Agriculture.)

d. We solicit new affiliates based upon their location within agricultural belts that would best benefit our advertisers.

In short, we use this information on a daily basis, and are dismayed that it is now four years old. In many of our calls we have to explain apologetically that this is the latest information available.

So you can see that we'd be truly dismayed if the census were not taken next year. Also, we'd appreciate you doing what you can to make information acquired next year available sooner than was the case following 1964 and 1969 Censuses of Agriculture.

As you probably know, the Missourinet covers nearly all of agricultural Missouri. We have affiliates in nearly every congressional district. These stations and the farmers that listen to them, depend upon us. We, to the extent listed above, depend upon the Census of Agriculture. Please do what you can to see that the Bureau of Census uses funds appropriated in 1973 for planning the 1974 Census.

Sincerely,

DERRY G. BROWNFIELD.
CLYDE G. LEAR.

UNIVERSITY OF FLORIDA, INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES,
Gainesville, Fla., May 24, 1973.

Hon. GALE W. MCGEE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGEE: We understand that the Administration's budget recommendations eliminates the funding of the 1974 Census of Agriculture and combines the taking of it in some modified form with those of the 1977 Economic Censuses. This action is appalling. However, I understand through the introduction of Senate Bill SJ-95 responsible consideration is being given to restoring the funds needed to conduct the 1974 Census of Agriculture. As one who has been involved with using this basic data for many years as a food and resource economist, I applaud this action.

I am sure you are aware of the important function the Census of Agriculture serves Florida and the rest of the nation. Historically it is the statistical base for the entire agricultural industry of this nation. Properly collected, aggregated and analyzed the Census of Agriculture serves as:

1) A basic means of supporting problem identification;

2) A foundation upon which intelligent policy formulation may take place;

3) A basis for developing and administering programs; and

4) A means of evaluating program impact and progress toward identified objectives or goals.

Because of the variable nature of the biological processes involved in agricultural production as opposed to the less dynamic and more stable production process of industry, to disrupt the timing and general procedure of updating the primary agricultural statistical base is in effect inviting chaos among the primary users of this key information.

We would, therefore, urge you to seriously consider and vigorously support the reinstatement and funding of the 1975 Census of Agriculture. Your efforts to enlist your colleagues to join with you in maintaining this method of assembling the primary statistical base for our nation's most essential industry will be greatly appreciated. Thank you very much for your assistance and for your continued leadership in the governmental affairs of this nation.

Sincerely yours,

K. R. TEFERTILLER,
Vice President for Agricultural Affairs.

The PRESIDING OFFICER (Mr. BENTSEN). The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I understand that the distinguished Senator from Indiana (Mr. BAYH) is on his way, and I therefore ask unanimous consent to suggest the absence of a quorum with the time not to be charged against either side.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from South Carolina (Mr. HOLLINGS) may be recognized at this time to call up an amendment, without prejudice to the distinguished Senator for Indiana (Mr. BAYH).

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

Mr. HOLLINGS. Mr. President, I call up my amendment at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end thereof, insert the following:

SEC. — As soon as possible after the enactment of this Act hearings shall be held on the regulations contained in the Federal Register, Vol. 38, No. 83 (May 1, 1973), pages 10715, 10716, 10717, and all viewpoints shall be afforded an adequate opportunity to appear and testify. Findings based on these hearings shall be made and submitted to Congress. No regulations concerning this matter shall become effective until Congress has had 30 legislative days to review these findings.

Mr. HOLLINGS. Mr. President, the amendment I propose this morning will delay the implementation of regulations contained in the Federal Register of May 1, 1973, vol. 38, No 83, pages 10715, 10716, 10717, and any similar regulation until hearings can be held and findings made thereon. Congress would then have 30 legislative days in which to consider these findings prior to the implementation of any regulation dealing with the reentry of farm fields where pesticides have been used. Without this amendment these regulations will go into effect on June 18 and this would mean economic ruin to a majority of farmers engaged in growing of peaches, tobacco, apples, grapes, oranges, lemons, grapefruits. These regulations are entitled "Emergency Temporary Standards for Exposure to Organophosphorous Pesticides." Under the guise of protecting the health of farmworkers the Occupational Safety and Health Administration through these regulations would prevent reentry of fields where those crops are being grown for a certain period of days after the field has been treated with a pesticide. In the peach industry, these regulations would prevent reentry for up to 14 days and in the tobacco industry reentry could be prevented for up to 7 days.

Mr. President, if there was evidence to support a findings that farmworkers were being harmed by the use of these pesticides, we would all support efforts to prevent this harm. However, these regulations are another example of high-handed, arbitrary actions on the part of the Occupational Safety and Health Administration. No administrative proceedings were held before OSHA prior to the issuance of this standard. There is no medical evidence indicating any deaths or injuries to farmworkers resulting from normal field use of these pesticides. OSHA has made an arbitrary finding that 800 persons were killed and another 80,000 were injured, but they have been unable to substantiate this finding with fact. In a survey of my State, our coroner's records indicate no deaths resulting from field use of these pesticides, and our poison control units have no hospital records of injuries resulting from field use of these pesticides.

To allow such arbitrary and unnecessary regulations to go into effect would be unconscionable. To allow them to go into effect on June 18 would mean financial ruin to industries which at that time

would be in the midst of harvesting. Imagine the plight of the farmer who receives word from the Food and Drug people that his peach crop is fit for human consumption and ready to be harvested, but who is told by OSHA that since he has just used a pesticide the pickers cannot go into the field to pick the crop. We all know that during a growing season the farmer uses pesticides regularly and allows a reasonable period of time to lapse before he reenters the field. However, the regulations impose unreasonable periods of time, on the mean, 5 to 8 days.

With food prices as high as they are now, this OSHA regulation would be adding a new factor with which the housewife has had even less experience—namely, reaching for a product on the shelf and finding that it is not available because of this ridiculous administrative regulation.

Mr. TALMADGE. Mr. President, I have examined the Senator's amendment and have conferred with the ranking minority member and I see no objection to it. As I understand it, it would merely require that a hearing be held on a matter published in the Federal Register; is that not its purpose?

Mr. HOLLINGS. That is correct. It was published May 1 and had a rather impractical application on pesticides. OSHA, the Occupational Safety Health Act of the administration put this out, but no hearings whatever were held. The Virginia, Pennsylvania, and Idaho delegations got together with the Assistant Secretary of Labor and Administrator of OSHA, and the outcome there was fruitless. In addition, we tried ourselves. What we are really asking for in this amendment is that they give us hearings and that there be 30 days after they conclude before the regulation would become effective.

Mr. TALMADGE. I hope the Senate will agree to this amendment.

Mr. CURTIS. Mr. President, I hope that the amendment will prevail. I shall support it.

Mr. BENTSEN. Mr. President, I would ask the Senator from South Carolina if I could be a cosponsor of this amendment. I strongly support it.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the name of the Senator from Texas (Mr. BENTSEN), the Senator from Vermont (Mr. AIKEN), the Senator from Kentucky (Mr. COOK), the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from Florida (Mr. CHILES) be added as cosponsors of this amendment.

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

Mr. AIKEN. Mr. President, I am glad to be a cosponsor, but I want to say that this order issued by OSHA, without hearings or advance notice, is one of the most ridiculous acts of any agency of Government that I have ever seen. They stated at the time, I believe, that this embargo against traveling through an orchard without a rubber coat or a gas mask within 5 days after it had been sprayed, would be prohibited. It was also rumored at that time the restrictions as to orchards was only a start toward further restrictions.

If they carried that proposal to its logical conclusion, can we not imagine the scene outside the Capitol after the trees in the park had been sprayed, with all the visitors to the Capitol wearing rubber coats and gas masks? It would look like an invasion from another planet.

I, myself, have spent most of my life living in an orchard.

Many people live in the middle of an orchard. That would mean that they could not go home, or they could not leave home for 5 days after their orchard had been sprayed, without having to wear a rubber coat and a gas mask. And all visitors to a family living in an orchard would have to be similarly equipped.

The people interested in manufacturing rubber coats and gas masks might have had a hand in promoting this order, perhaps. If they did, it would be completely understandable, because that would have been simply demonstrating one of the weak traits of human beings.

But I do want to say that the announcement that orchardists had been dying reminds me of two of my friends who were orchardists, one died at the age of 96, and the other was 88 years old. Orchardists are notoriously long-lived.

So far as I can find out, there is no evidence of a fatality caused by the spraying of an orchard, because all the spraying materials have to be qualified and approved, anyway, as not being harmful before they can be used.

The material commonly used by my neighboring orchardists is called Guthion and there has been no evidence of injury to birds, bees, or human beings for the 12 years it has been used.

Of course, orchardists may die should a tractor tip over on them and pin them underneath it, and they die from other causes, but this is probably one of the most impractical orders ever to come from a Government agency, must have been trying to compete with Watergate conspirators for notice.

Mr. HOLLINGS. If they were given equal publicity, they could have.

Mr. AIKEN. Yes, they should get equal publicity for what they are doing, too.

Mr. HOLLINGS. The Senator from Vermont has touched directly on the problem. Under FDA regulations, one can enter an orchard to consume its fruit, but under OSHA's regulations he cannot enter or pick it. This order is utterly impractical and ridiculous.

Mr. TALMADGE. Mr. President, I yield back my time.

Mr. HOLLINGS. 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 South Carolina.

The amendment was agreed to.

FOOD ASSISTANCE FOR THE AGED, BLIND, AND DISABLED

Mr. EAGLETON. Mr. President, I am particularly pleased that S. 1888, the Agriculture and Consumer Protection Act of 1973, contains a provision which restores the eligibility of the aged, blind, and disabled to participate in the food stamp and food distribution programs.

Under the provisions of Public Law 92–603, the Social Security Amendments of 1972, those elderly, blind, and disabled persons whose incomes are so low as to qualify them for assistance under the new supplemental security income program would, as of January 1, 1974, lose their eligibility for food assistance.

On January 9 of this year, I introduced S. 255 which would repeal those provisions of the Food Stamp Act and the Agricultural Act of 1949, added by Public Law 92–603, which are to become effective next January. I had the privilege of testifying before the Committee on Agriculture and Forestry on February 27.

The modification of my proposal approved by the committee, and set forth in section 808(b) of the bill, provides as follows:

> 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.

Mr. President, about 3.4 million aged, blind, and disabled persons now receive public assistance under the Federal-State programs of old-age assistance, aid to the blind, and aid to the permanently and totally disabled.

When these programs are replaced on January 1, 1974, by the supplemental security income program, this number is expected to increase by some 2.8 million persons, bringing the total number of SSI recipients to 6.2 million during calendar 1974.

The Food and Nutrition Service of the Department of Agriculture estimates that 1.5 million of these aged, blind, and disabled persons now participate in the food stamp program and at least 200,000 participate in the food distribution program.

Without action by Congress this year, all of those 1.7 million persons will lose the food assistance they now have, and additional numbers of SSI recipients who may wish to participate in a food assistance program in the future will be denied that opportunity.

In my own state of Missouri, more than 11,000 aged, blind, and disabled persons who receive food stamps in 11 counties and the city of St. Louis and 30,000 aged, blind, and disabled persons who receive donated foods in 103 counties stand to lose that assistance.

Discussion of whether the aged, blind and disabled should continue to be eligible for food assistance tends to bog down in arguments about who will receive more assistance and who will receive less assistance under the supplemental security income program. Since the overwhelming majority of the States have not yet made decisions about supplementing the Federal payment, there are few definitive answers to these questions.

We do know that those aged, blind, and disabled persons who receive more

assistance next year will have their incomes raised only to the SSI benefit levels of $130 for a single person and $195 for a couple.

And where States provide supplementary payments, the terms of the "hold harmless" provision will limit those payments to cash assistance levels and the bonus value of food stamps as of January 1972. Therefore, those persons who now receive food assistance and who might have that assistance replaced by cash would find that cash replacement several dollars per month short of the food assistance to which they would be entitled in January 1974.

But, Mr. President, the most compelling fact, often lost sight of, is that regardless of SSI and of any supplementary payments that States may provide, several million aged, blind, and disabled persons will continue, for the foreseeable future, to have incomes below the poverty level—incomes that are, by definition, insufficient to enable them to purchase a nutritionally adequate diet.

Given this fact, simple equity requires that the aged, blind, and disabled be entitled to food assistance on the same basis as all other low-income persons.

Mr. President, the effect of my bill, S. 255, would be to make households where all members receive SSI payments automatically eligible for food assistance. It would have this effect because current food stamp regulations grant automatic eligibility to households in which all members are included in a federally aided public assistance program.

Under the provision approved by the committee, SSI recipients whose total monthly income falls below the maximum income standards of the food stamp and food distribution programs will be eligible for food assistance.

Those SSI recipients whose total monthly income exceeds the maximum income standards of these programs will no longer be eligible for food assistance after January 1.

On March 26, the Department of Agriculture announced the maximum monthly allowable income standards under the food stamp program which will become effective on July 1, 1974. The maximum allowable income for a single person will be $183 and the maximum allowable income for a two-member household will be $240.

Under the food stamp program, a single person may have nonexcluded resources up to $1,500 and a household of two or more persons where at least one member is age 60 or over may have nonexcluded resources up to $3,000.

The Department of Agriculture tells me that they have no information at this time as to how many of the 1.7 million aged, blind, and disabled persons now receiving food assistance have incomes exceeding the eligibility standards. However, the assumption is—and I believe it is a reasonable one—that the vast majority of those who participate in food assistance programs are those at lower income levels.

Mr. President, the committee's provision is based on an important principle—the principle that the aged, blind, and disabled should receive food assistance on the same basis as all other low-income persons.

I believe this is a fair and equitable provision, and one which guarantees that food assistance will be available to those of our aged, blind, and disabled citizens who are most in need of it. It is imperative that it be approved by both Houses of Congress and signed into law before the end of the year.

I want to take this opportunity to commend the Senator from Georgia (Mr. TALMADGE) and the other members of the committee for including this provision in S. 1888, and express my appreciation to those Senators who joined in this effort as cosponsors of S. 255—Senators ABOUREZK, BEALL, BURDICK, CLARK, CRANSTON, HATFIELD, HUDDLESTON, HUGHES, INOUYE, JAVITS, MAGNUSON, MATHIAS, MONDALE, MOSS, PASTORE, PELL, RANDOLPH, STEVENS, STEVENSON, TUNNEY, and WILLIAMS.

MESSAGE FROM THE HOUSE

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

H.R. 7446. An act to establish the American Revolution Bicentennial Administration, and for other purposes; and

H.R. 7645. An act to authorize appropriations for the Department of State, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were each read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 7446. An act to establish the American Revolution Bicentennial Administration, and for other purposes. Referred to the Committee on the Judiciary.

H.R. 7645. An act to authorize appropriations for the Department of State, and for other purposes. Placed on the calendar.

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.

The PRESIDING OFFICER. Under the previous order, the distinguished Senator from Indiana (Mr. BAYH) is now recognized.

Mr. BAYH. Mr. President, arrangement was made for one of my two amendments to be the order of business.

I would like to call up amendment No. 156, which deals with the problem of hog cholera, and then ask unanimous consent that, following the sequence of unanimous-consent requests that already have been agreed to, my amendment dealing with the $20,000 payment limitation be added to the end of that list.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. ROBERT C. BYRD. Mr. President, I do not reserve the right to object. The Senator's request has already been acceded to.

Just to make the record clear, Senator BAYH's second amendment would be called up following the disposition of the amendment by Mr. PROXMIRE. Am I correct?

The PRESIDING OFFICER. After the second amendment offered by the distinguished Senator from New York (Mr. BUCKLEY).

Mr. ROBERT C. BYRD. The Chair is correct.

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be stated.

The legislative clerk read as follows:

On page 51, between lines 15 and 16, insert the following:

(29) Section 11 of the Act of May 29, 1884 (58 Stat. 734; 21 U.S.C. 114a), is amended by inserting "(a)" immediately after "SEC. 11." and by adding at the end of such section a new subsection as follows:

"(b) (1) Whenever swine are destroyed under authority of this Act, the amount of compensation to be paid to the owner of such swine shall be determined in two stages as follows:

"(A) The swine shall be appraised, at the time of their destruction, on the basis of their fair market value for meat, feeding, or breeding purposes, as appropriate.

"(B) At the end of an appropriate period following the date on which the swine were destroyed, a determination shall be made of the potential value of the swine as meat producers had such swine not been destroyed. In determining the potential value of any swine under this clause, the value shall be reduced by the amount that would have been expended for feed (adjusted for variation in price) and other production costs. The period between the destruction of swine and the appraisal of the potential value of the swine shall be determined on the basis on the average time required by (i) farrow to finish operators, (ii) feeder pig producers, and (iii) finishers of purchased pigs to raise new herds to full production capacity.

"(2) The owner of swine destroyed under authority of this Act shall be paid the amount determined under clause (A) of paragraph (1) as soon as practicable after the destruction of his swine. The owner of such swine shall be paid the amount of any increase in value determined under clause (B) of paragraph (1) as soon as practicable after the amount has been computed."

Mr. BAYH. Mr. President, I ask unanimous consent that the name of the distinguished Senator from New Jersey (Mr. WILLIAMS) be added as a cosponsor of amendment No. 156.

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

Mr. BAYH. Mr. President, I ask unanimous consent that the name of the distinguished Senator from New York (Mr. BUCKLEY) be added as a cosponsor of amendment No. 163.

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

Mr. BAYH. Mr. President, in 1972 there was a rather severe outbreak of hog cholera in several States throughout the Nation. My State of Indiana happened to be the hardest hit. As of December 6, 19,567 hogs had been killed to prevent

the spread of the disease. The Federal Government paid a total of $631,192 in indemnity payments to Indiana hog producers, and a national emergency was declared for this area.

As a result of the epidemic and the personal difficulties of these farmers, I became very involved in the details of the cholera outbreak, meeting with farmers to discuss improved techniques of monitoring the interstate shipment of possibly diseased animals, and corresponding with the Department of Agriculture to secure adequate financial assistance for those farmers whose herds had been wiped out due to an outbreak in the area.

As you may know, in 1969, the use of vaccinations for hog cholera was ceased because, according to the Department of Agriculture's studies, it was not possible to eradicate the disease while vaccines were being used, and because the vaccine was, in itself, a frequent cause of the disease. Therefore, swine producers rely entirely on the effectiveness of the regulation of interstate shipment, and upon Federal and State assistance in order to get back on their feet after eradication of their herds. The situation of these farmers is very insecure since they can take no precautions themselves to prevent catastrophes.

During the emergency last year, I was consistently impressed by the cooperative attitude of Indiana swine producers. These farmers, who rely completely on the actions of Federal and State governments have not made many requests or demands during a year of personal and professional trauma. However, some of the farmers did bring to my attention reports that poultry farmers in California whose flocks had been infected with exotic Newcastle disease had been paid indemnities which were much higher than those paid to hog producers. Investigation proved the reports to be true, despite official denials from the Department of Agriculture.

Mr. President, I think this is an inappropriate time to become involved in a thorough discussion of whether you go with live vaccine, modified vaccine, or total eradication. The fact is that since 1969 we have been moving toward total eradication by the destruction of affected herds. This requires a careful policing of transit points.

Without becoming involved in a detailed discussion of this particular aspect of the program, I should like to point out to the distinguished Senator from Georgia, the very dedicated chairman of this committee, that I was alarmed, in discussing this problem with some of my Indiana hog producers, to find out that at the transit points primarily in the States of Tennessee and Kentucky, where inspectors were supposed to be on the scene at all times, no inspectors were there at all during certain periods prior to the cholera outbreak of last year.

All our livestock programs in this country need adequate inspection. It seems to me that it is not wise and certainly not in the best interests of the consumers of our country to permit the continuation of a situation which exists today, in which the pressure in these States is to take agricultural inspectors away from the stock barns where hogs are being sold and put them in the racetrack barns in order to inspect horses.

I think horses need to be inspected, but it seems to me that we have a responsibility. If there are not horse inspectors or not enough inspectors to deal with the problems of horses and racetracks, we ought to provide more inspectors so that these shipping points, where hog cholera is transmitted inadvertently, are inspected.

Our effort right now is to try to see that the hog producers who pay the price of eradicating cholera are adequately reimbursed. In talking to many of those affected, we have come a long way in the last few years to see that when the herds are destroyed, the farmers are reimbursed adequately. The complaints are not great.

The major complaint is that in an area where you have a preponderance of sow herds, where pigs are born and raised, there is a tremendous investment in capital. The Federal Government goes in and kills an entire herd or several herds in an area, reimburses the farmer for the loss of his herd, but makes no effort to reimburse him for the loss incurred while he is repopulating his herd and getting back into full production.

This injustice is complicated by the fact that prior to the election last year, Secretary Butz, in California, did indeed lay down a Department of Agriculture regulation that provided for loss of profits to those in the poultry industry. I think it would be wrong for one segment of agriculture to wage war on the other, so I really have no reservations about the Secretary's assessment of the problem so far as laying flocks are concerned.

That assessment was based on the following premise: If a laying flock contracts New Castle disease and if it is destroyed, in addition to indemnifying the owner of the laying flock for the loss of the hens, the owner will be reimbursed for the loss of profits during the period of time it is necessary to get back in business. That makes sense to me. This was based on the premise that a hen is an egg-laying machine.

The distinguished Senator from Georgia is more familiar with that regulation than I. A hen is an egg-laying machine, and the farmer should be reimbursed for downtime while he is getting back in business.

But I suggest that it is inequitable to the hundreds of thousands of hog farmers in this country to sit silent and let the Department of Agriculture assess a hen as an egg-laying machine and not be equitable and suggest that an old sow or a young gilt is a pig-producing machine. If we reimburse the owner of a laying flock for the loss of profit during downtime and the repopulation period, we should also reimburse the owner of a sow herd or a gilt herd, who has pig-producing machines, for the loss of profits while he is trying to get back in business after the Federal Government has destroyed his herd.

One last word: It is in the national interest to prevent cholera and ultimately to eradicate cholera. If it is in the national interest, it seems to me that the Nation as a whole should help bear the burden of destroying those herds, many of which are not affected at all but may be in the neighborhood of an incidence of cholera. To ask the owner of the herd that is destroyed to bear the whole cost, the burden of the cost of implementing a nationwide program, I think is very unjust.

For that reason my amendment would see to it that hogs are treated the same way as hens are now. I know that when the committee considered this matter they thought it too expensive. It would be more expensive, but we must ask ourselves what price we are going to put on equity. If we are treating owners of laying flocks one way, should we not treat the owners of swine herds the same way? I think we should. For that reason I have introduced this amendment.

Mr. TALMADGE. Mr. President, we considered the Senator's amendment in committee.

The purpose of this amendment to provide swine producers with lost profits during the time required to restock a swine producer's farm. Under the amendment, swine producers whose herds were destroyed because of an outbreak of cholera or other diseases would receive compensation in two stages:

First. At the time when the swine were destroyed, they would be appraised on the basis of their fair market value for meat, feeding, or breeding purposes.

Second. At the end of an appropriate period, the Department of Agriculture would determine the potential value of the swine as meat producers had the swine not been destroyed. This potential value would be reduced by the amount that would have been expended for feed and other production costs. The producer would be paid for lost profits.

Presently, the law provides that the owners of any livestock or poultry shall receive compensation based on the fair market value as determined by the Secretary of Agriculture at the time of the destruction of the animal. The compensation that is paid the owner of livestock cannot exceed the difference between any compensation that the owner receives from a State or other source and the fair market value of the animal. Currently, the Department of Agriculture appraises all livestock and poultry on the basis of fair market value—which reflects the future production of an animal or bird. It is not difficult to make such appraisal in the case of swine because swine have an easily ascertainable fair market value.

Mr. President, this is the current law. It applies to all livestock and poultry. It applies to chickens and turkeys as well as cattle and swine.

The pending amendment would change the law only for swine producers. It would set up a special system of compensation for swine losses due to disease. In addition to receiving the fair market value of the swine at the time it was destroyed, the producer would receive a supplemental and later compensation designed to make up his lost profits.

This would set a very undesirable precedent. It would provide a special system of compensation that would not be available for producers of broilers,

turkeys, beef cattle, dairy production and others. The present law, which applies to all producers of livestock and poultry, has worked well. It is impossible to justify preferential treatment for a certain class of producers.

Not only would this amendment provide preferential and discriminatory treatment, it would be extremely costly. I requested that the Department of Agriculture provide me with a cost estimate of the pending amendment. USDA officials estimate that the amendment would have entailed an additional cost of $1.5 million had it been in effect in fiscal year 1973.

Moreover, if we provided this kind of preferential treatment to swine producers, we have to extend it to the other livestock and poultry producers as well. It is easy to see how costly such a change in the law would be.

In addition to the increased cost to the Federal Treasury, I believe that a practice of compensating producers for lost profits would be the subject of considerable abuse and considerable public criticism. The present system, which only compensates producers for the fair market value of their animal, is a conservative measure designed to give livestock producers a minimum of Government protection to prevent their going broke when they are subjected to an animal disease epidemic. However, if producers were to be compensated for lost profits, a few might prefer to receive Government payments rather than undergo the work and expense of active production. This would give all producers who receive benefits a bad name.

Already our farm programs receive severe criticism from people who do not understand the plight of farmers. We should, therefore, avoid any new programs which might be used by antifarm groups to subject all of agriculture to unfounded criticism.

I know that the Department of Agriculture did use an unusual appraisal system in the case of the Newcastle epidemic in California. However, USDA officials have stated that they were unable to make a satisfactory appraisal of laying hens in the case of the Newcastle epidemic because layers are bought as starter pullets and sold when the laying cycle is completed for a nominal price. There was no established market for productive laying hens. For this reason, the Department of Agriculture was forced to provide compensation in two stages in the case of the Newcastle epidemic.

Mr. President, the committee considered the pending amendment and rejected it because it felt that the current system was both satisfactory and relatively trouble free. We do not wish to approve a new system which would be discriminatory and difficult to administer. Therefore, I hope that the Senate will uphold the committee's position and reject this amendment.

Mr. President, the only thing objectionable, as the Senator knows, was that they are reimbursed now at the fair market price thereof.

Paragraph (B) of the Senator's amendment on page 2 provides:

(B) At the end of an appropriate period following the date on which the swine were destroyed, a determination shall be made of the potential value of the swine as meat producers had such swine not been destroyed.

The difficulty with that is that it introduces what we lawyers call speculative damage, costs impossible of accurate ascertainment. As the Senator knows, many people not familiar with the farm problems and farm legislation have related many humorous reports relating to farming that are utterly inaccurate.

One is the report that says the farmer is not raising hogs. It goes on to have the farmer speculating at great length what type hogs he will not raise. He speculates a great deal more as to how many animals he will not raise after he determines what type hogs he will not raise.

That is the difficulty with the Senator's amendment. The members of our committee are sympathetic. I would be glad to ask the staff and the member of the committee to look into it further with a view to see if we can get something that is entirely equitable in this matter.

Mr. BAYH. Mr. President, I would like to ask unanimous consent to have printed in the RECORD some substantiating documents from the Cooperative Extension Service of Auburn University, from the University of Tennessee, the U.S. Department of Agriculture Animal, Plant, and Health Service, and some documents from Purdue University, as well as some tables I have compiled to show the cost related to any direct effect of the financial capacity of a swine producer while he is down.

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

AUBURN UNIVERSITY,
Auburn, Ala., June 4, 1973.

Hon. BIRCH BAYH,
U.S. Senator,
Washington, D.C.

DEAR SENATOR BAYH: Thank you for providing the Alabama Extension Service an opportunity to evaluate your proposal to more equitably indemnify swine producers who suffer cholera losses.

I assembled a committee composed of Extension staff specialists representing marketing, veterinary science and production technology to assist me in evaluating your formulas and time lapses from depopulation to production. We unanimously agreed that your formulas are workable and the production time lost for the three systems is realistic. It seems only fair to us that swine producers and possibly other livestock producers as well are entitled to indemnity payments that are equitable with the newcastle program.

We discussed the cost of such a program in Alabama, but concluded that we could not forecast a reasonable cost. Our last outbreak of chlorera occurred in December of 1970. Its easy to conclude that the cost in Alabama for the past 2½ years would have been zero.

Thanks again for including us in your evaluation process.

Sincerely,

CHARLES L. MADDOX,
Farm Management Specialist.

THE UNIVERSITY OF TENNESSEE,
Knoxville, Tenn., June 1, 1973.

Senator BIRCH BAYH,
U.S. Senate,
Committee on the Judiciary,
Washington, D.C.

DEAR SENATOR BAYH: As you know, many of our swine producers in Tennessee also suffered the losses and problems resulting from hog cholera. Therefore, your proposed bill is certainly of interest to us.

There would be very few farms operated if the "potential to produce" element was eliminated as it is with the present reimbursement system for swine producers whose herds are sacrificed. When, for example, a farmer decides to produce swine and invests in facilities and a breeding herd, he is investing to produce over a period of time, not just a single lot of hogs. That investment provides a potential to produce and is costed over a period of production time. If a portion of that production time is eliminated the farmer will not be able to recover the investment as planned which could create serious financial difficulties depending on the size of his swine enterprise relative to his total business.

I have looked over the budgeted costs given in your proposal and find them acceptable. The "other variable" and "fixed" costs are slightly higher than ours but probably not exorbitant.

There is one consideration which needs to be considered. It was pretty well documented that at least one cholera outbreak in Tennessee was traced to the feeding of raw garbage, which is certainly not a recommended practice. The point I'm making is that cholera is not heritable but often the result of poor management. It might encourage producers to become less dogmatic about sanitation and management if there is no financial liability incurred from the results of poor sanitation and management. Thus the hope of even achieving a cholera free state would be diminished. I realize, of course, that poor sanitation and management also lead to other types of diseases and losses so that the possibility of producers becoming careless in these areas is not too great. I mention it as a consideration.

To reiterate, reimbursement of the value of animals being raised for slaughter may be sufficient. It is not sufficient in the replacement of breeding stock or to compensate for "potential production" which is an important part of the overall farm organization. I hope you are successful with the amendment. We will do what we can to help gain support.

Sincerely,

HERBERT N. WALCH,
Associate Professor, Agricultural Economics.

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 6, 1973.

Hon. BIRCH BAYH,
U.S. Senate.

DEAR SENATOR BAYH: This is in reply to your letter of May 15, 1973, requesting my views on your recently introduced legislation, S–1683, and on the tentative formulas contained in the body of your opening statements regarding this legislation which appeared in the May 1, 1973, Congressional Record.

On May 3. 1973, Senator Herman E. Talmadge, Chairman, United States Senate's Committee of Agriculture and Forestry, officially requested the Department to prepare a report and an estimate of the cost which would be incurred in implementing S–1683. We are currently preparing the requested report and cost estimate. They will be reviewed by the Department and the Office of Management and Budget prior to being made available to the committee. I feel it would be inappropriate for me to a reply to your request until such time as the Department officially responds to the U.S. Senate's Committee of Agriculture and Forestry's abovementioned request. Please consider this letter as an interim reply in regard to the matter.

I would like to take this opportunity to clarify what is apparently a misunderstanding regarding the items included in the egg production costs used in establishing supplemental indemnities under the exotic Newcastle program. The following noncash cost items were not included in arriving at an

average cost of production figure: depreciation, interest on investment and management. We apologize for any misinformation which you received concerning this matter.

We appreciate your continued interest and support of the hog cholera and exotic Newcastle programs.

Sincerely,

J. M. HEJL,
Acting Deputy Administrator, Veterinary Services.

PROPOSED PROFIT-COST FORMULAS

I. PRODUCER OF PURCHASED PIGS

(Developed with assistance of Purdue University)

Period for second payment might be the time interval from depopulation to the end of the embargo plus 30 days as a period to locate replacement pigs. Volume could be established on the basis of the number of pigs on hand at the time of depopulation. If we define a unit of production as a pig, a normal production rate is 1.75 pounds of product (starting with a 40# pig) per unit per day.

The approximate requirement to produce a 220# market hog, averaging $57.20 in 1972 are:

1. A 40# pig	*$20.32
2. 11.5 bu. corn	*14.83
3. 100# Supplement	*7.50
4. Other variable costs	5.00
5. Fixed costs (overhead)	2.00
6. Labor	2.50
Total	$52.15

II. PRODUCER OF FEEDER PIGS

Period for second payment might be the time interval from depopulation to end of embargo plus seven months. (Seven months made up of one month to locate breeding stock, two months to get new breeding stock to reproduction age plus four months gestation.) Volume might be established on the basis of the number of mature females on hand at the time of depopulation. If we define a unit of production as a mature female, a normal production rate is 1⅓ pigs (40# each) per unit per month.

The approximate requirements to produce a 40# pig, averaging $20.32 in 1972 are:

1. 60# Supplement	*$4.50
2. 3 bu. corn	*3.67
3. Other variable costs	3.00
4. Fixed costs (overhead)	3.25
5. Labor	3.75
Total	$18.37

III. FARROW TO FINISH

Period for second payment might be the time interval from depopulation to end of embargo plus nine months. (Nine months made up of one month to locate breeding stock, two months to get new breeding stock to reproductive age plus four months gestation, plus two months to produce feeder pigs.) Volume might be established on the basis of the number of mature females on hand at the time of depopulation. If we define a unit of production as a mature female, a normal production rate is 300# of slaughter animals per unit per month.

The approximate requirements to produce 100# of slaughter animals (currently worth $32.02 at Indianapolis), averaging $26.00 in 1972 are:

1. 75# Supplement	*$5.61
2. 6 bu. corn	*7.74
3. Other variable costs	2.00
4. Fixed costs (overhead)	2.50
5. Labor	3.25
Total	$21.00

* Values vary (along with slaughter hog and feeder pig prices) depending upon time and geographic location.

To take the example of the producer of feeder pigs in more detail, let us assume that the producer owned 20 sows which were all depopulated and the second evaluation was made eight months after the depopulation (one month of quarantine, one month to locate breeding stock, 2 months (plus) to raise the stocks to reproduction age, and four months for gestation). If we assume that a mature sow will usually produce 1⅓ pigs (at 40 pounds each) per month, the potential production from 20 sows over the eight-month period would have been 213 pigs (40 pounds each).

The average market price of a 40 pound pig was $20.32 in 1972, so that the gross potential profit would have been $4,328. Approximate costs of producing one 40 pound pig have been estimated in the printed table as $18.37. The costs of producing 213 forty pound pigs woud therefore have been $3,913, and the difference between the gross profit and cost, or the net potential profits over the eight-month period would have been about $415.00.

Mr. BAYH. Mr. President, many of these operations are no longer shirttail operations; most of them are not shirttail operations. It is a significant business. The cost of depreciating the equipment and staying in the industry continues.

Mr. SAXBE. Mr. President, will the Senator yield?

Mr. BAYH. I will be happy to yield but first I wish to finish this thought.

My concern is that I appreciate the concern of open-endedness expressed by the Senator from Georgia. I take heart in the willingness of the Senator to continue to explore this and ask his staff to see if there is a way to deal with this more equitably because swine producers are getting it in the neck right now.

Mr. SAXBE. I thank the Senator for yielding.

Is it not true that when a swine producer goes down because of cholera, it could be that the farm is infested with cholera, and it is going to be a considerable time and require a lot of judgment to determine when he is going to get back into business? He could be down a year and have to take time to get back into the production of hogs.

I can understand a little time with chickens, because pullets can be bought at 14 weeks and are then ready to go. A chicken raiser can build up his henhouse and be back in business. But in swine production, it seems to me that the catastrophe that cholera brings is not something that can be shared by the Government except for paying for the damage that is incurred by the wiping out of the herd. It puts the Government in the business of estimating how long the hog raiser is going to be down, because the farm is cholera infested.

I ask that in the form of a question: How long is a man down when cholera wipes him out?

Mr. BAYH. It depends on the kind of hog business. Such as farrow to finish or the producing of feeder pigs.

Mr. SAXBE. Suppose he is a hog raiser.

Mr. BAYH. This could vary, I think it might be 6 months to a year.

Mr. SAXBE. My experience is that when the farmer is wiped out by cholera, he is out of the hog business for several years because of the time the hogs will be off the market.

Mr. BAYH. As the Senator from Ohio knows, there is a mechanism which can destroy every hog in the neighborhood. There does not have to be a sick hog on the place. But the farmer loses thousands of dollars. The outbreak of cholera may be slight, but because of cholera breaking out, the people have to shut down.

Mr. SAXBE. Is it not the custom that the hogs may not have to go to slaughter? In other words, they do not wipe out the herd; they say that any that are not infected may not have to go to slaughter, so the hog raiser can stay in the business. They do not wipe him out. If they are moved, they go to the stockyard, and so they can handle the hogs that are not infected.

But the man who does have hogs with cholera may not get back in business for several years. He goes to another type of farming. Surely it would be a catastrophe, but the Government should not have to reimburse him indefinitely.

Mr. BAYH. I have no desire to have the Federal Government subsidize somebody if he is out of the hog business. I think a reasonable period of time, 6 months, normally, or a year, would enable the farmer to go out and buy gilts, or maybe buy hogs and breed them; but not ad infinitum.

I think the Secretary of Agriculture could work out, at the local level, the kind of regulation to help somebody who has lost his herd as a result of depopulation.

Mr. SAXBE. We have not had an outbreak of hoof and mouth disease for some time; I hope we do not have one. But it is possible with cattle. If it should happen, and there is complete eradication, they do not go to slaughter; they are killed and burned.

It seems to me we would be in a similar situation if we were to pay a farmer for not raising cattle during that indeterminate time. That could be up to 3 years.

I sympathize with what the Senator is trying to do, but it seems to me that what he proposes is not an economical way.

Mr. BAYH. I think the Senator answered the last point he raised by his own statement. We have not had hoof and mouth disease for a long time. We have had outbreaks of hog cholera. I anticipate a program that would eventually result in eradication of the disease. The reason we have not had an outbreak of hoof and mouth disease for a long time is that we had a program which resulted in eradicating it. We have cleaned it up. We cannot say that about cholera. When we put in the same program for the eradication of cholera, we will be in the same position as we are now with respect to hoof and mouth disease. The Europeans do not permit us to ship our animals in there. The fact is that we have cholera to contend with, and I think we should have programs to eradicate both of those diseases.

Mr. SAXBE. When we have an outbreak, we fumigate the houses, we buy pullets, and we are ready to go again with laying flocks. We can move them in almost overnight and be back in business again.

Mr. BAYH. Twenty-six weeks, accord-

ing to studies we have had from the department, which is a shorter time than is necessary with hogs, but the Senator cannot say that eggs are any more important than bacon. I think both classes of livestock ought to be treated the same.

Mr. SAXBE. I would be tempted to include an amendment for foul brood, because when that hits, a program is completely out of the bee business.

Mr. BAYH. I will be glad to offer such an amendment if the Senator has one prepared.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAYH. Mr. President, will the Senator from Georgia yield me 1 minute to ask a question?

Mr. TALMADGE. I yield 1 minute to the Senator.

Mr. BAYH. I would like, for my own edification, to have the Senator assess where we might be relative to this amendment, to clear up the situation which exists.

Mr. TALMADGE. As I stated to the Senator earlier when he offered his amendment, the committee considered it carefully and were sympathetic with the problem. The committee thought that it would be bad precedent to make one category of livestock subject to special treatment to the exclusion of all other categories of livestock. I have assured the Senator the committee will continue to study the problem.

Mr. BAYH. Mr. President, has the time expired?

The PRESIDING OFFICER. The Senator from Georgia has a minute and a half remaining.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana (putting the question).

The amendment was rejected.

AMENDMENTS NO. 185

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from New York (Mr. BUCKLEY).

Mr. BUCKLEY. Mr. President, I call up my amendments No. 185 and ask that they be stated.

The PRESIDING OFFICER. The clerk will state the amendments.

The legislative clerk proceeded to read the amendments.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

Amendments No. 185 are as follows:

On page 13 strike lines 15 through 25, on page 14 strike lines 1 through 15, and substitute the following therefor:

"Payments shall be made for each crop of wheat to the producers on each farm in an amount which multiplied by the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield, times the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop is less than—

"$2.25 per bushel on one to forty-five acres of the farm allotment,

"$2.15 per bushel on forty-six to one hundred and fifty acres of the farm allotment,

"$2.05 per bushel on one hundred and fifty-one to three hundred acres of the farm allotment,

"$1.95 per bushel on that portion of the allotment in excess of three hundred acres.

"If the Secretary determines that the producers are prevented from planting any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"*Provided*, That no farm may be reconstituted after enactment of this section in such a manner as to entitle the owner to payments in excess of the amount to which he would be entitled at the time of enactment of this section, except that a farm may be reconstituted if the owner at the time of the enactment of this section subsequently sells all beneficial interest in a portion of the farm."

On page 24, line 3, strike all after the period through line 24 and substitute the following thereunder:

"Payments shall be made for each crop of corn to the producer on each farm in an amount which multiplied by the yield established for the farm times the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop is less than—

"$1.50 per bushel on one to fifty acres of the farm allotment,

"$1.46 per bushel on fifty-one to one hundred and twenty-five acres of the farm allotment,

"$1.42 per bushel on one hundred and twenty-six to two hundred acres of the farm allotment.

"$1.38 per bushel on that portion of the farm allotment in excess of two hundred and one acres.

"The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that the producers on a farm are prevented from planting any portion of the farm acreage allotment to feed grains or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.

Provided, That no farm may be reconstituted after enactment of this section in such a manner as to entitle the owner to payments in excess of the amount to which he would be entitled at the time of enactment of this section, except that a farm may be reconstituted if the owner at the time of the enactment of this section subsequently sells all beneficial interest in a portion of the farm."

On page 30 strike lines 3 through the period in line 23 and substitute the following therefor:

"(2) Payments shall be made for each crop of cotton to the producers on each farm in an amount which, multiplied by the yield established for the farm times the higher of—

"(1) the national average market price for Strict Low Middling one and one-sixteenth inches cotton (micronaire 3.5 through 4.9) in the designated spot markets during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under paragraph (1) for such crop is less than—

"43 cents per pound on one to thirty acres of the farm allotment,

"39 cents per pound on thirty-one to one hundred acres of the farm allotment,

"36 cents on one hundred to two hundred acres of the farm allotment,

"33 cents on that portion of the allotment in excess of two hundred acres.

"If the Secretary determines that the producers on a farm are prevented from planting any portion of the allotment to cotton or a nonconserving crop, because of drought, flood, or other natural disaster, or condition beyond the control of the producer, the rate of payment for such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established service.

"*Provided*, That no farm may be reconstituted after enactment of this section in such a manner as to entitle the owner to payments in excess of the amount to which he would be entitled at the time of enactment of this section, except that a farm may be reconstituted if the owner at the time of the enactment of this section subsequently sells all beneficial interest in a portion of the farm."

Mr. BUCKLEY. Mr. President. S. 1888 as reported by the committee guarantees farmers a specific price for various commodities. These guarantees, called "target prices," are set at $2.28 per bushel for wheat, $1.53 per bushel for corn, and 43 cents per pound for cotton, subject to unplanned adjustment to reflect increases in crops and production. As all these are at or below current market prices, if the program were in effect today there would be little or no cost to the Government.

However, over the past 5 years wheat has averaged $1.50 per bushel, corn $1.29, and cotton 27 cents per pound in the market.

The Department of Agriculture has estimated that the committee bill could cost $3.5 billion during the first year and $7 billion the fifth year if market prices fall back to average levels and increases in the cost of production index result in a 4 percent yearly advance in the target prices.

Mr. President, I ask unanimous consent that a letter and the enclosure that I received, under date of June 4, 1973, from Mr. Don Paarlberg, Director of Agricultural Economics, Department of Agriculture, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BUCKLEY. Mr. President, it contains the projections I have cited, as well as many others, and should be a part of the Record at this debate.

As I have previously pointed out, the burden on the average American, either as a taxpayer or consumer, under the target-price provisions of S. 1888 could become enormous. As the Senator has declined to phase out the target price, I offer my amendment No. 185 as a form of compromise that, while reforming the target-price concept, does so in such a way as to ameliorate its potential impact on the taxpayer without significantly disturbing its impact on smaller producers.

My amendment does two things:

First of all, it removes the mechanism whereby target prices would increase or decrease with the cost of production index.

S. 1888 provides that each year the target price will increase or decrease or stay the same in relationship to the cost of production index. This index takes into account the cost of items used in producing food and fiber, for example, fertilizer, insecticide, fuel, plus taxes, interest, and wages.

Now I can fully understand that there are questions which can be raised in regard to this part of my amendment. Union contracts and Government pay schedules reflect cost of living realities, it might be argued. Why should not we do the same for the farmer as we are for union members and Government workers?

This is a question which cannot be lightly dismissed. But I am convinced that an examination of the realities of the bill and of agricultural economy give us good reason to reject a cost-of-production provision. Target prices are considerably above prices that are received in the marketplace in the past. If prices rise the Government cost is nothing and the farmer gets his profit through the marketplace. If prices fall, then he gets the target price which, it is universally agreed, is high. Furthermore, as production expands, the farmer enjoys economies of scale that should offset in good measure projected increases in production costs. Thus, I think the farmer is adequately protected under the target-price concept and that a cost-of-production index would simply add another load to the already overburdened American taxpayer.

Second my amendment adds a new dimension to the farm subsidy program—that of gradually scaling down subsidies to larger farmers by varying payment rates.

Basically this means that for these basic commodities, there will be varying payment rates according to the following scale:

The amount provides for the following budget prices for wheat: $2.25 per bushel on 1 to 45 acres of the farm allotment; $2.15 per bushel on 46 to 150 acres of the farm allotment; $2.05 per bushel on 151 to 300 acres of the farm allotment; and $1.95 per bushel on that portion of the allotment in excess of 300 acres.

For corn, the amendment provides: $1.50 per bushel on 1 to 50 acres of the farm allotment; $1.46 per bushel on 51 to 125 acres of the farm allotment; $1.42 per bushel on 126 to 200 acres of the farm allotment; and $1.38 per bushel on that portion of the farm allotment in excess of 201 acres.

For cotton, it provides: 43 cents per pound in 1 to 30 acres of the farm allotment; 39 cents per found on 31 to 100 acres of the farm allotment; 36 cents on 100 to 200 acres of the farm allotment; and 33 cents on that portion of the allotment in excess of 200 acres.

Before I explain the purpose of this amendment in more detail, allow me to insert at this point the number of American farms that fall into each category:

WHEAT

There are 697,686 farms of 1 to 45 acre allotments; there are 185,877 farms of 46 to 150 acre allotments; there are 60,154 with 151 to 300 acres; and there are 32,621 farms of 300 or more acre allotments.

FEED GRAINS

There are 1,022,000 farms of 1 to 50 acre allotments; there are 338,490 farms of 51 to 125 acre allotments; there are 78,376 farms of 126 to 200 acre allotments; and there are 41,597 farms with an excess of 200 acre allotments.

COTTON

There are 179,391 farms of 1 to 30 acre allotments; there are 65,949 farms of 31 to 100 acre allotments; there are 15,144 farms of 101 to 200 acre allotments; and there are 7,350 farms with an excess of 200 acre allotments.

Mr. President, I include this list in order to make what I consider to be an essential point. The overwhelming majority of farms in this country are small farms, roughly between 1 and 50 acres. This amendment will not harm the small farmer. He will still be assured of a good target price.

The large farmer will receive varying target prices, depending on the size of his farm. Allow me to illustrate. Suppose there is a wheat farmer who has 500 acres. On the first 45 acres of his farm he will receive $2.25 a bushel; on the 46th to 150th acre he will receive $2.15; on the 151st to the 300th acre he will receive $2.05 a bushel, finally on all acreage above 300 acres he will receive $1.95 per acre.

Mr. President, I think such a provision is fair and equitable and one that reflects economic reality. After all, large farms are more efficient. Better efficiency results in being able to produce more of a given commodity at lower costs. The large farmer not only produces more but produces it on a more efficient basis. Why should the large farmer get the same treatment as the small farmer who must absorb higher costs per unit of production? Why should the taxpayer be asked to underwrite a higher per unit profit for the large farmer than for the small?

In 1970, Congress said, in effect, that we are going to put a limit on how much supplemental income a farmer can receive. That limit was fixed at $55,000. It is no secret that some large farmers simply reconstituted their farms, thereby enabling them to get more because they had "more" farms. My amendment does not allow a farmer to reconstitute his farm in order to make more money out of this target-price concept. He cannot reconstitute his farm in such a manner that he qualifies for higher target prices. If he sells his interest in a part of his acreage, he may reconstitute his farm, but only if he receives no more in "target-price" support than he originally received when his farm had all its original acreage.

I believe the amendment is simple and self-explanatory. I believe that it in substance achieves what the Committee on Agriculture and Forestry wants to achieve. But it does it in a manner that recognizes the different scale between large and small farms and recognizes also the need to be cautious where the taxpayer's dollar is concerned.

Mr. JAVITS. Mr. President, would the Senator yield?

Mr. BUCKLEY. Mr. President, I gladly yield to my colleague.

Mr. JAVITS. Mr. President, I would greatly appreciate it if the Senator would make me a cosponsor of the amendment and would yield to me 3 minutes.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the distinguished Senator be added as a cosponsor of the amendment.

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

Mr. BUCKLEY. Mr. President, I yield 3 minutes to my colleague.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, I thank my colleague.

The amendment is offered for the very reason that it will especially help Senators from States with major cities—and that is most all of the States—where taxpayers are inadequately represented in the Chamber and where a certain rural aura persists. Notwithstanding, the enormous population shift in the case of the city dwellers, some 70 percent plus of the population, has not received adequate consideration in the farm legislation.

We are caught in something of a crack, and that situation is increasing. We need a provision that would give an assured income for the smaller people so that they would be on more equal terms with the larger farmers in terms of some type of price or target price.

That is why I could not vote with my colleague for an amendment that would eliminate or phase out the situation. However, the plan he is now offering seems to me to be honorable and perfectly proper.

The most desirable outcome for farm support would be that which would enable the small farmer to be on an equitable basis with the larger farmer and let the major farmer take his chance in the market place. I have the feeling that he would do very well, with the housing situation, the mortgage money, and so forth, but not with a price subsidy.

In order to get to that stage, we at least have to be intelligent and reasonable on the price subsidy question, such as those of us like myself and Senator BUCKLEY, who represent States with big cities.

The plan the amendment offers is designed for that purpose. And I really understand the feeling that other Senators from States with major cities in them that they ought to be very thoughtful about this matter. It could easily be run down as another one of the amendments that will receive 15 votes.

There is going to be a day of reckoning. I remember when I was in the House of Representatives when only 25 House Members maintained that position. There is bound to be some occasion when there will be a revolt by the city dwellers.

He wants the farmer to produce. However, the pendulum tends to swing much too far. And as I understand the thrust of the Buckley amendment, it seeks to bring that pendulum back to normal. However, it has to be within reason.

I join with my colleague in his plea to the Senate to act favorably on the amendment.

Mr. BUCKLEY. Mr. President, I thank my colleague for his remarks. His points are extremely well taken.

I would just like to close by summarizing the impact of the amendment.

Under the theoretical assumption that the market would return to prices that prevailed in 1970, if we assume that the price at the market place is $1.30 for corn, $1.60 for wheat, and 27 cents for cotton—which prices reflect the average of the past 4 years—then we would by adoption of this amendment, as I see it, not affect the small farmer but would reach out to the major unit. And we would achieve a savings of 12.3 percent on feed grains, 15.6 percent on wheat, and 20.8 percent on cotton.

In the year 1974, this would amount to a savings of approximately half a billion dollars.

I think that that ameliorates the impact of this legislation on the taxpayer in a form which will not cut into the thrust of the bill, namely, the protection of the consumer, and is argument enough for the amendment.

EXHIBIT 1

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 4, 1973.

Hon. JAMES L. BUCKLEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BUCKLEY: At your request I enclose an estimate of farm program costs as they would be under S. 1888, based on various specified assumptions. These estimates were prepared in the Department of Agriculture.

Estimates are also provided for target prices other than those in S. 1888.

Sincerely,

DON PAARLBERG,
Director of Agricultural Economics.

GOVERNMENT PROGRAM COSTS WITH ALTERNATIVE TARGET PRICES, PRICE LEVELS, AND RATES OF INFLATION

An analysis of government program costs that includes four levels of target prices, two levels of market prices, and two rates of inflation could result in government program costs ranging from zero to nearly $8 billion in 1978.

The four levels of target prices considered include:

1. Those specified in S. 1888.
2. Sixty-five percent of May 1973 parity.
3. The 1970–72 average price received by farmers.
4. A given set of target prices.

The two levels of market prices were:

1. May 1973 prices.
2. Prices that would balance supply and demand each year 1974 to 1978.

Target prices were adjusted to increase with two assumed rates of increase in prices paid by farmers for production items, interest, taxes, and wage rates as follows:

1. Four (4.0) percent per year, and
2. Two and one-half (2.5) percent per year.

Data in the attached table show for each year the program costs, target prices, assumed market prices and their relation to May 1973 parity, target prices, payment rates, and selected indexes of prices paid by farmers, and government payments in recent years.

Prices received by farmers in May 1973 were considerably higher than anticipated equilibrium prices. Therefore, if prices remain at recent levels, program costs would be relatively low. However, if prices are at an equilibrium level, program costs could be nearly twice as high as in 1972 if target prices of S. 1888 are adopted.

In May 1973 wheat prices were further below target prices than was true for feed grains or cotton. Thus at these prices the cost of the wheat program would tend to be higher than for feed grain or cotton under most target prices and inflation rates. However under the prices more likely to prevail in 1974 to 1978, cost of the feed grain program would be the highest.

The assumed rates of inflation of 4.0 percent and 2.5 percent compare with a 3.7 rate of increase from 1962 to 1972 in prices paid for production items, interest taxes and wage rates.

ESTIMATES OF TOTAL PROGRAM COSTS FOR S. 1888 WITH ALTERNATIVE TARGET PRICES AND 2 RATES OF PRODUCTION COST INCREASES USING MARKET PRICES AT MAY 1973 LEVELS AND AT LEVELS UNDER ANTICIPATED SUPPLY-DEMAND CONDITIONS, UNITED STATES, 1974–78

[In millions of dollars]

	Cost at indicated target less "May 1973" market price							
	S. 1888		65 percent of parity		3-year average		Given target	
	2.5 percent	4.0 percent	2.5 percent	4.0 percent	2.5 percent	4.0 percent	2.5 percent	4.0 percent
1974 total	245	245	0	0	0	0	0	0
1975 total	373	498	110	183	0	0	0	0
1976 total	576	1,111	219	369	0	0	0	0
1977 total	1,093	2,014	331	835	0	0	112	312
1978 total	1,637	3,003	554	1,743	0	0	210	305

	Cost at indicated target less "supply-demand" market price							
	S. 1888		65 percent of parity		3-year average		Given target	
	2.5 percent	4.0 percent	2.5 percent	4.0 percent	2.5 percent	4.0 percent	2.5 percent	4.0 percent
1974 total	3,800	3,800	2,809	2,809	0	0	2,101	2,101
1975 total	4,420	4,698	3,390	3,647	0	0	2,652	2,928
1976 total	5,100	5,989	4,044	4,570	55	373	3,200	3,732
1977 total	5,777	6,724	4,674	5,504	311	1,015	3,809	4,654
1978 total	6,453	7,830	5,324	6,552	1,190	1,776	4,414	5,625

ESTIMATES OF FARM PROGRAM COSTS FOR S. 1888 WITH ALTERNATIVE TARGET PRICES AND 2 RATES OF PRODUCTION COST INCREASES USING MARKET PRICES AT MAY 1973 LEVELS, UNITED STATES, 1974–78

[In millions of dollars]

	Cost at indicated target less "May 1973" market price							
	S. 1888		65 percent of parity		3-year average		Given target	
Year and commodity	2.5 percent	4 percent	2.5 percent	4 percent	2.5 percent	4 percent	2.5 percent	4 percent
1974:								
Feed grains	0	0	0	0	0	0	0	0
Wheat	245	245	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0
Total	245	245	0	0	0	0	0	0
1975:								
Feed grains	0	24	0	0	0	0	0	0
Wheat	347	402	110	183	0	0	0	0
Cotton	26	72	0	0	0	0	0	0
Total	373	498	110	183	0	0	0	0
1976:								
Feed grains	49	384	0	0	0	0	0	0
Wheat	456	566	219	347	0	0	0	0
Cotton	71	161	0	22	0	0	0	0
Total	576	1,111	219	369	0	0	0	0

	Cost at indicated target less "May 1973" market price							
	S. 1888		65 percent of parity		3-year average		Given target	
Year and commodity	2.5 percent	4 percent	2.5 percent	4 percent	2.5 percent	4 percent	2.5 percent	4 percent
1977:								
Feed grains	399	1,000	0	212	0	0	0	13
Wheat	579	766	318	523	0	0	112	299
Cotton	115	248	13	100	0	0	0	0
Total	1,093	2,014	331	835	0	0	112	312
1978:								
Feed grains	773	1,695	53	837	0	0	0	60
Wheat	706	973	439	725	0	0	210	243
Cotton	158	335	62	181	0	0	0	2
Total	1,637	3,003	554	1,743	0	0	210	305

ESTIMATES OF FARM PROGRAM COSTS FOR S. 1888 WITH ATLERNATIVE TARGET PRICES AND 2 RATES OF PRODUCTION COST INCREASES USING MARKET PRICES AT LEVELS UNDER ANTICIPATED SUPPLY-DEMAND CONDITIONS, UNITED STATES, 1974–78

[In millions of dollars]

Year and commodity	Cost at indicated target less "supply-demand" market price: S. 1888 2.5 percent	S. 1888 4 percent	65 percent of parity 2.5 percent	65 percent of parity 4 percent	3-year average 2.5 percent	3-year average 4 percent	Given target 2.5 percent	Given target 4 percent
1974:								
Feed grains	1,829	1,829	1,174	1,174	0	0	793	793
Wheat	1,281	1,281	1,055	1,055	0	0	848	848
Cotton	690	690	580	580	0	0	460	460
Total	3,800	3,800	2,809	2,809	0	0	2,101	2,101
1975:								
Feed grains	2,248	2,417	1,564	1,721	0	0	1,147	1,322
Wheat	1,443	1,497	1,205	1,278	0	0	1,004	1,059
Cotton	729	775	621	648	0	0	501	547
Total	4,420	4,689	3,390	3,647	0	0	2,652	2,928
1976:								
Feed grains	2,690	3,380	1,978	2,319	0	245	1,473	1,831
Wheat	1,643	1,752	1,405	1,533	55	128	1,186	1,314
Cotton	767	857	661	718	0	0	541	587
Total	5,100	5,989	4,044	4,570	55	373	3,200	3,732
1977:								
Feed grains	3,159	3,785	2,418	2,956	173	710	1,881	2,450
Wheat	1,793	1,980	1,532	1,737	131	243	1,326	1,513
Cotton	825	959	724	811	7	62	602	691
Total	5,777	6,724	4,674	5,504	311	1,015	3,809	4,654
1978:								
Feed grains	3,644	4,577	2,878	3,702	942	1,282	2,322	3,178
Wheat	1,946	2,213	1,679	1,965	210	382	1,450	1,717
Cotton	863	1,040	767	885	38	112	642	730
Total	6,453	7,830	5,324	6,552	1,190	1,776	4,414	5,625

ALTERNATIVE TARGET PRICES FOR 1974 AS A PERCENT OF MAY 1973 PARITY PRICES

Crop	May 1973 parity prices[1]	Target prices for 1974: S. 1888 Target prices	S. 1888 Percent of parity	65 percent of parity Target prices	65 percent of parity Percent of parity	3-year average[2] Target prices	3-year average[2] Percent of parity	Given target Target prices	Given target Percent of parity
Corn (dollars per bushel)	2.23	1.53	69	1.45	65	1.23	55	1.40	63
Wheat (dollars per bushel)	3.32	2.28	69	2.15	65	1.45	44	2.05	62
Cotton (cents per pound)	62.46	43.00	69	40.60	65	25.67	41	38.00	61

[1] "Agricultural Prices," SRS–USDA, May 15, 1973.

[2] 1970, 1971, and 1972.

ALTERNATIVE TARGET PRICES WITH S. 1888-TYPE PROGRAM ASSUMING TARGET PRICES RISE 2.5 PERCENT ANNUALLY

[In dollar amounts]

Basis for target prices, and crop	1974	1975	1976	1977	1978
S. 1888:					
Corn	1.53	1.57	1.61	1.65	1.69
Sorghum	1.45	1.49	1.53	1.57	1.61
Barley	1.25	1.28	1.31	1.34	1.37
Wheat	2.28	2.34	2.40	2.46	2.52
Cotton	.4300	.4400	.4500	.4600	.4700
65 percent of parity:					
Corn	1.45	1.49	1.53	1.57	1.61
Sorghum	1.37	1.41	1.45	1.49	1.53
Barley	1.16	1.19	1.22	1.25	1.28
Wheat	2.16	2.21	2.27	2.32	2.38
Cotton	.4060	.4162	.4266	.4373	.4483
3-year average:					
Corn	1.23	1.26	1.29	1.32	1.35
Sorghum	1.15	1.18	1.21	1.24	1.27
Barley	1.02	1.05	1.08	1.11	1.14
Wheat	1.45	1.49	1.53	1.57	1.61
Cotton	.2567	.2632	.2698	.2766	.2836
Given prices:					
Corn	1.40	1.44	1.47	1.51	1.55
Sorghum	1.33	1.36	1.40	1.43	1.47
Barley	1.14	1.16	1.19	1.22	1.25
Wheat	2.05	2.10	2.15	2.21	2.26
Cotton	.3800	.3900	.4000	.4100	.4200

ALTERNATIVE TARGET PRICES WITH S. 1888-TYPE PROGRAM ASSUMING TARGET PRICES RISE 4 PERCENT ANNUALLY

Basis for target prices, and crop	1974	1975	1976	1977	1978
S. 1888:					
Corn	1.53	1.59	1.65	1.72	1.79
Sorghum	1.45	1.51	1.57	1.63	1.70
Barley	1.25	1.30	1.35	1.40	1.46
Wheat	2.28	2.37	2.46	2.56	2.66
Cotton	.4300	.4500	.4700	.4900	.5109
65 percent of parity:					
Corn	1.45	1.51	1.57	1.63	1.70
Sorghum	1.37	1.42	1.48	1.54	1.60
Barley	1.16	1.21	1.26	1.31	1.36
Wheat	2.16	2.25	2.34	2.43	2.53
Cotton	.4060	.4223	.4392	.4568	.4751
3-year average:					
Corn	1.23	1.28	1.33	1.38	1.44
Sorghum	1.15	1.20	1.25	1.30	1.35
Barley	1.02	1.06	1.10	1.14	1.18
Wheat	1.45	1.51	1.57	1.63	1.70
Cotton	.2567	.2670	.2777	.2888	.3004
Given prices:					
Corn	1.40	1.46	1.51	1.57	1.64
Sorghum	1.33	1.38	1.44	1.50	1.56
Barley	1.14	1.19	1.23	1.28	1.33
Wheat	2.05	2.13	2.22	2.31	2.40
Cotton	.38	.3952	.4110	.4274	.4445

PAYMENT RATES WITH S. 1888-TYPE PROGRAM ASSUMING PRICES STAY AT ASSUMED SUPPLY-DEMAND LEVELS AND TARGET PRICES RISING 2.5 PERCENT ANNUALLY

Basis for target prices, and crop	1974	1975	1976	1977	1978
S. 1888:					
Corn	0.23	0.27	0.31	0.35	0.39
Sorghum	.21	.25	.29	.33	.37
Barley	.19	.22	.25	.28	.31
Wheat	.68	.79	.90	.96	1.02
Cotton	.1500	.1600	.1700	.1850	.1950
65 percent of parity:					
Corn	.15	.19	.23	.27	.31
Sorghum	.13	.17	.21	.25	.29
Barley	.10	.13	.16	.19	.22
Wheat	.56	.66	.77	.82	.88
Cotton	.1260	.1362	.1466	.1623	.1733
3-year average:					
Corn	0	0	0	.02	.05
Sorghum	0	0	0	0	.03
Barley	0	0	0	.05	.07
Wheat	0	0	.03	.07	.11
Cotton	0	0	0	.0016	.0086
Given prices:					
Corn	.10	.14	.17	.21	.25
Sorghum	.09	.12	.16	.19	.23
Barley	.08	.10	.13	.16	.19
Wheat	.45	.55	.65	.71	.76
Cotton	.1000	.1100	.1200	.1350	.1450

PAYMENT RATES WITH S. 1888-TYPE PROGRAM ASSUMING PRICES STAY AT ASSUMED SUPPLY-DEMAND LEVELS AND TARGET PRICES RISE 4 PERCENT ANNUALLY

Basis for target prices, and crop	1974	1975	1976	1977	1978
S. 1888:					
Corn	0.23	0.29	0.35	0.42	0.49
Sorghum	.21	.27	.33	.39	.46
Barley	.19	.24	.29	.34	.40
Wheat	.68	.82	.96	1.06	1.16
Cotton	.1500	.1700	.1900	.2150	.2350
65 percent of parity:					
Corn	.15	.21	.27	.33	.40
Sorghum	.13	.18	.24	.30	.36
Barley	.10	.15	.20	.25	.30
Wheat	.56	.70	.84	.93	1.03
Cotton	.1260	.1423	.1592	.1818	.2001
3-year average:					
Corn	0	0	.03	.08	.14
Sorghum	0	0	.01	.06	.11
Barley	0	0	.04	.08	.12
Wheat	0	0	.07	.13	.20
Cotton	0	0	0	.0138	.0254
Given prices:					
Corn	.10	.16	.21	.27	.34
Sorghum	.09	.14	.20	.26	.32
Barley	.08	.13	.18	.23	.28
Wheat	.45	.58	.72	.81	.90
Cotton	.10	.12	.13	.1550	.1650

PAYMENT RATES WITH S. 1888-TYPE PROGRAM ASSUMING PRICES STAY AT MAY 1973 LEVELS AND TARGET PRICES RISING 2.5 PERCENT ANNUALLY

Basis for target prices, and crop	1974	1975	1976	1977	1978
S. 1888:					
Corn	0	0	0	0.04	0.08
Sorghum	0	0	.04	.08	.12
Barley	0	0	0	0	0
Wheat	.13	.19	.25	.31	.37
Cotton	0	.0057	.0157	.0257	.0357
65 percent of parity:					
Corn	0	0	0	0	0
Sorghum	0	0	0	0	.04

Basis for target prices, and crop	1974	1975	1976	1977	1978
Barley	0	0	0	0	0
Wheat	0	.06	.12	.17	.23
Cotton	0	0	0	.0030	.0140
3-year average:					
Corn	0	0	0	0	0
Sorghum	0	0	0	0	0
Barley	0	0	0	0	0
Wheat	0	0	0	0	0
Cotton	0	0	0	0	0
Given prices:					
Corn	0	0	0	0	0
Sorghum	0	0	0	0	0
Barley	0	0	0	0	0
Wheat	0	0	0	.06	.11
Cotton	0	0	0	0	0

PRICE ASSUMPTIONS FOR ANALYSES OF PROGRAM COSTS

Item	May 1973 prices	Supply-demand balance prices[1]
Corn, per bushel	$1.61	$1.30
Sorghum, per bushel	1.49	1.24
Barley, per bushel	1.39	1.06
Wheat, per bushel	2.15	1.60
Cotton, per pound	[2].4343	.28

[1] Season average prices received by farmers.
[2] Estimated May 1973 cotton price at 15 spot markets for SLM 1 1/16-inch.

SELECTED INDEXES OF PRICES PAID BY FARMERS
(1910–14=100)

Year	Parity index[1]	Family living	Production items, interest, taxes, and wage rates
1960	300	290	307
1961	302	291	311
1962	307	295	316
1963	312	298	322
1964	313	300	322
1965	321	306	333
1966	334	315	347
1967	342	322	356
1968	355	335	370
1969	373	351	390
1970	390	366	408
1971	410	382	430
1972	[2]432	401	456

[1] Prices paid by farmers for commodities and services, interest, taxes, and wage rates.
[2] Annual rates of change 1962–72 were: Parity Index—3.5 percent; family living—3.1 percent; production items, interest, taxes, and wage rates—3.7 percent.

COMMENT ON EFFECTS OF THE PROPOSED INCREASE IN MINIMUM WAGE

The projections of H.R. 4757 would tend to raise farm wage rates by about 3 percent per year for the next three years; this is in addition to the rate of increase otherwise expected. If the bill were enacted and made effective beginning in 1974, farm wage rates in 1976 would be about 10 percent higher than otherwise expected. This in turn would raise the index of production items, interest, taxes, and wage rates slightly more than an additional 1 percent by 1976.

Thus the effect would be to raise farm production costs and target prices as specified in Senate Bill 1888. With higher target prices program payments, under S. 1888, increasing by approximately 140 million dollars per year by 1976.

GENERAL ASSUMPTIONS RELATED TO PRICES WITH SUPPLY DEMAND EQUILIBRIUM

1. Population growth rate—1 percent per year, with total population reaching 217.7 million by 1977, about in line with changes during the last 5 years but below the growth rate of the fifties and early sixties.

2. Real economic growth slowing during the next year or so then rising through 1977 at a rate of about 4 percent per year, about in line with the average of the last two decades.

3. Production of meat animals increasing more rapidly than trend for the next 3–4 years. This is due to the projected upturn in the cattle cycle along with continued strong demand for meat.

4. Assumed price relationships: Livestock prices would trend upward somewhat relative to feed prices although the price ratios will vary with livestock cycles. The result would be generally favorable livestock-feed price relationships and continued strong growth in the demand for feed.

5. Farm production costs will rise more rapidly than during the fifties and early sixties, but at a slower rate than in the last year. Upward pressures on farm costs will stem largely from nonfarm inputs, particularly costs of motor vehicles and supplies including fuel, farm machinery fertilizers, and farm wage rates.

GOVERNMENT PAYMENTS, BY PROGRAMS, 1960–72[1]

[In millions of dollars]

Year	Conservation[2]	Soil bank	Sugar Act	Wool	Feed grain	Wheat	Cotton	Rental and benefits	Price adjustment and parity	Wartime production subsidy	Cropland adjustment	Miscellaneous[3]	Total
1960	223	370	59	51									702
1961	236	334	53	56	772	42							1,493
1962	230	304	64	54	841	253							1,747
1963	231	304	67	37	843	215							1,696
1964	236	199	79	25	1,163	438	39						2,181
1965	224	160	75	18	1,391	525	70						2,463
1966	231	145	71	34	1,293	679	773				51		3,277
1967	237	129	70	29	865	731	932				85		3,079
1968	229	112	75	66	1,386	747	787				81		3,462
1969	204	43	78	61	1,643	858	828				78		3,794
1970	208	2	88	49	1,504	871	919				76		3,717
1971	173		80	69	1,054	878	822				67	2	3,145
1972	198		82	110	1,845	856	813				52	6	3,961

[1] Details may not add to totals due to rounding.
[2] Includes Great Plains and other conservation programs.
[3] Includes all other programs such as milk indemnity.

Mr. JAVITS. Mr. President, if the Senator will yield further, is it not a fact that what is putting great emphasis on this matter is the case where there is a small producer—namely, a dairy farmer—paying an escalated price for his feed grain, and the repercussions are not only to city dwellers in terms of price, but also to other agricultural producers.

Mr. BUCKLEY. The Senator is correct. It is not only the dairy farmers, but also poultry farmers and others.

Mr. HUMPHREY. Mr. President, if the Senator will yield, I am so interested in the colloquy on the price of feed grains.

It is indeed a very serious matter. I offered an amendment here that would have permitted, I think, adequate reserves to see to it that this kind of excessive pricing would not take place. That was one of the purposes of the amendment, to provide assurance and security for the consumer and to give some adequate protection to the producer so that he would not be destroyed in case there may have been surpluses.

I needed some help, but I am afraid I did not get it.

I think if the Senator from New York had listened to my words of advice, counsel, and wisdom, he would not have had to bring up his amendment today. We would have had a reserve set aside, we would have had protection for the New York consumer, we would have had protection for the Midwest producer, and we would have had a national security reserve that this country could have relied upon. It would not have destroyed the effect of the market on prices, and it would have prevented the producer from being literally destroyed when massive surpluses hit the market.

I am sorry we did not have the Senator's help; we could have saved all this talk.

Mr. BUCKLEY. Mr. President, I have always listened to my colleague from Minnesota with the greatest respect, but he and I occasionally have different plans on how to solve our problems. I think if we stop trying to separate agriculture, and allow the forces of the marketplace to have their effect, we would have no surplus, no shortage, and no problem.

Mr. HUMPHREY. Mr. President, I only ask the Senator to go back and read that debate, and then take the weekend to repent.

Mr. BUCKLEY. I thank the Senator.

Mr. President, I have no further remarks to make. If the chairman of the committee is prepared to accept my amendment, I shall not ask for the yeas and nays.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, the author of this amendment claims it would save the Government, according to the figures I have, a total of $170.7 million in the case of wheat; $186 million in the case of corn; and $177.9 million in the case of cotton.

And how is this determined Mr. President? Well, he uses some assumed num-

bers only of historical significance. He does not project what actual prices will be. This is natural—because no one knows of the future.

But one thing I do know Mr. President. And that is any savings to the Government, no matter on how slim a basis, will be out of the hide of producers.

Mr. President, the whole thrust of the committee bill is to the future.

Today there are only 2.8 million farms left in this country and the farm population is less than 5 percent of the total.

And yet this small number of farms is expected to feed over 210 million Americans now and many millions more throughout the world.

But of even great significance is the fact that by the time terms of this act fully expire an additional 20 million more Americans will depend upon even fewer farms.

It is imperative that greater production and productivity are generated for our future needs.

That is why the committee devised the target price approach adjusted by costs of production.

This amendment not only removes the target price but it also removes the adjustment factor.

In effect this amendment condemns farmers to a 5-year freeze on prices.

Mr. President, I contend that no other segment of the population would be singled out for such trashy treatment.

As a matter of fact, there is now in Congress active legislation to increase minimum wages for workers.

Mr. President, why should farmers be treated so unfairly. Why should they be singled out for such harsh treatment.

Furthermore, Mr. President there are technical and administrative difficulties in such an approach as proposed in this amendment.

I can see a situation where a low yield-large acreage farm would actually receive less for his product than a high yield-low acreage farm.

Moreover, while the administration talks of getting Government off the backs of its citizens this amendment would move in exactly the opposite direction.

It would inject the Federal Government into even the smallest of farming details.

Under the proposal a farmer could not even lease or sell an allotment notwithstanding other provisions of law.

Mr. President, this approach is un-American. It is confiscatory and it is inimical to the best interests of all of our citizens now and in the future.

The committee bill is designed to increase production and to guarantee our consumers an abundance of food and fiber while the amendment moves in exactly the opposite direction.

The committee bill is designed to provide our farmers with the incentive to produce and again the amendment moves in the opposite direction.

Mr. President, no good can come from this amendment and I urge the Senate to reject it out of hand. It is an administrative nightmare. It would set up four different prices for wheat, four different for cotton, all dependent upon the size prices for corn, and four different prices of the farm. Who could make plans, or establish the price of farm land, under those conditions? I hope the amendment will be overwhelmingly rejected, and I urge the Senate to do so.

I yield such remaining time as I may have to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I shall address myself to the first part of the amendment, not the second. I think the second part is obviously unworkable.

What I have to say is not intended as any criticism of the Senator from New York. I point out that under this bill, we establish a target price for basic farm commodities in much the same manner as wages are established. Wages are established on the basis of the increased cost of living to the workers for all the things they have to buy.

The bill would establish a target price for wheat, for example, of $2.28 a bushel. Parity, or a fair price, is approximately $3.20 a bushel. So this target price is almost a dollar below what, by Government standards, is supposed to be a fair price. A similar target price is established for feed grain and cotton. We do better than that for labor. We give them what is supposed to be a fair price.

Under the present program, which is in effect for this year's crop, there will be sizable payments, about $2.5 billion, even though farm prices are high. This target price provision gets away from that. With prices as high as they are now, there would be no production payments at all.

According to its figures, the Department of Agriculture has estimated that the committee bill could cost $3.5 billion during the first year. Well, prices would have to drop as much as 50 percent for most commodities if there is to be that much cost to the Federal Government. I am sure that Secretary of Agriculture Butz is not estimating that farm prices are going to drop to the level that they were before, or to 55 or 60 percent of parity for basic crops.

It is said that in 5 years, assuming that the prices of farm commodities are the same as they were for the previous 5 years, it would cost $7 billion. That, again, is an exaggeration. The average price of farm products during the first 5 years was pretty low. Certainly that price would not be equitable 5 years hence. Five years from now, the price of everything the farmer has to buy, including wages, is going to be sharply increased, but the Senator would seek to hold farm prices or target prices to the same level. By his previous amendment, he would have wiped out all production payments of any kind, or phased them out.

It is stated in the Senator's explanation that the average price for wheat for the past 5 years was $1.50 a bushel. The blended price, with the wheat certificate payments, was $1.93 a bushel. The Senator would wipe out that production payment entirely, so that the farmer probably would not get any more than $1.50 a bushel, and he would certainly go broke. The same thing is true of cotton and feedgrains.

Mr. President, it seems to me that the farmer is entitled to at least a part of the consideration given to labor. The cost of living is always given consideration in establishing wages. Even Government salaries are based on the cost of living to labor.

We only go part way, in this bill, in trying to give the farmer some assurance that if he increases his production as people want him to do, so that prices will come down and food will be more abundant, he is not going to produce price-busting surpluses unless he has some protection.

Mr. BUCKLEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New York has 3 minutes remaining on his amendment.

Mr. BUCKLEY. Mr. President, I would just like to make a couple of points. No. 1, that legislation is in fact discriminatory. We must recognize that it is discriminatory against 70 percent of agricultural America who are not covered. No. 2, we have the analogy of the minimum wage legislation used to justify setting the target price.

I suggest that if we are talking about minimum wage and maximum farm prices, and if we want to use the minimum wage analogy we should apply it to the non-recourse loans. If the non-recourse loan levels are inadequate, then let us raise them, but not try to fix the agricultural price of the American economy and then deny the American economy at least some share of an increase in productivity in our remarkable agricultural community.

I believe that we have heard a new definition of "confiscatory" from the distinguished chairman of the committee. He would define "confiscatory" as an attempt to modify a privilege not yet granted.

I do suggest that what we are doing is moving into a new system of economic tinkering that, in the long run, will not benefit agriculture and will not benefit the country as a whole. We will soon find other sectors of production, agriculture or manufacture, who will ask to be protected against the possible risks of the marketplace.

Mr. YOUNG. Mr. President, the Senator from New York, and I have something in common. I would be willing for the farmer to go it alone if labor, industry, and every other segment of the economy would be willing to do the same.

Until they do, I want a fair break for agriculture.

Mr. BUCKLEY. I thank the Senator *for his comments*. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BIDEN). All time on this amendment has now been yielded back.

The question is on agreeing to the amendment, No. 185, of the Senator from New York (Mr. BUCKLEY).

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), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from Georgia (Mr. NUNN) 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 Georgia (Mr. NUNN) and the Senator from Michigan (Mr. HART) would each vote "nay."

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 Utah (Mr. BENNETT) the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The Senator from South Carolina (Mr. THURMOND) is detained on official committee business.

If present and voting, the Senator from New Mexico (Mr. DOMENICI), the Senator from Nebraska (Mr. HRUSKA) and the Senator from South Carolina (Mr. THURMOND) would each vote "nay."

The result was announced—yeas 21, nays 64, as follows:

[No. 183 Leg.]

YEAS—21

Baker	Javits	Saxbe
Beall	Mathias	Schweiker
Biden	Pastore	Scott, Pa.
Brooke	Pell	Stevens
Buckley	Percy	Taft
Case	Ribicoff	Weicker
Goldwater	Roth	Williams

NAYS—64

Abourezk	Eastland	McGee
Aiken	Ervin	McGovern
Allen	Fannin	McIntyre
Bartlett	Fong	Metcalf
Bayh	Gravel	Mondale
Bellmon	Gurney	Montoya
Bentsen	Hansen	Moss
Bible	Hartke	Nelson
Brock	Haskell	Packwood
Burdick	Hatfield	Pearson
Byrd, Harry F., Jr.	Hathaway	Proxmire
	Helms	Randolph
Byrd, Robert C.	Hollings	Scott, Va.
Cannon	Huddleston	Sparkman
Chiles	Humphrey	Stafford
Church	Inouye	Stevenson
Clark	Jackson	Symington
Cook	Johnston	Talmadge
Cranston	Kennedy	Tower
Curtis	Long	Tunney
Dole	Magnuson	Young
Eagleton	McClure	

NOT VOTING—15

Bennett	Griffin	McClellan
Cotton	Hart	Muskie
Domenici	Hruska	Nunn
Dominick	Hughes	Stennis
Fulbright	Mansfield	Thurmond

So Mr. BUCKLEY's amendment (No. 185) was rejected.

Mr. THURMOND subsequently said:

Mr. President, Senator NUNN of Georgia and I were detained on vital matters pertaining to the Armed Services Commitee and were prevented from voting on the Buckley Amendment, No. 185.

Both Senator NUNN and I were strongly opposed to this amendment and would have voted against it had we been present.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

AMENDMENT NO. 212

Mr. PROXMIRE. Mr. President, I call up my amendment No. 212.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 36, line 12, strike out the double quotation marks.

On page 36, between lines 12 and 13, insert the following:

"SEC. 705. (a) Subsection (c) of section 104 of such Act is repealed.

"(b) Subsection (b) of section 106 of such Act is amended by adding at the end thereof the following: 'No agreement entered into under this Act with any foreign country shall provide or require that foreign currencies accruing to the United States under this Act be used for the purpose of procuring for such country any equipment, materials, facilities, or services for any military or defense purpose (including internal security purposes).'"

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the amendment by Mr. BAYH, the following Senators be recognized, in the order stated, to call up their amendments: Mr. MATHIAS, Mr. Moss, Mr. PERCY, and Mr. STEVENS.

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

Mr. PROXMIRE. Mr. President, the use of food for peace currency for military purposes is a corruption of the intent of this humanitarian assistance. This program combats hunger and malnutrition, promotes economic growth in developing nations, and develops export markets for U.S. commodities. It should not be tainted by military requirements. If military assistance must be given and it can be proven to be justified—and much of it cannot—then let it be given through the Pentagon, our military establishment or the Department of State instead of a back door technique.

But this is not the only reason why this amendment should be accepted. By permitting this back door financing, the military is allowed to make use of Federal resources outside the appropriations process. Congressional control is limited if not nonexistent. Furthermore, it encourages the full brunt of the foreign aid spending to be hidden from the taxpayer who is troubled enough to find that military assistance comes not only out of the Defense Department but also the Agriculture Department and the State Department and runs as high as $6 billion for grants and loans and facilities abroad.

Even though sales of agricultural commodities for local currency have been phased out as of December 31, 1971, ongoing credit agreements may generate foreign currencies, if required, at the time of delivery of the commodities rather than waiting for later dollar payment.

The United States currently holds excess currency in the following countries: Burma, Guinea, India, Pakistan, Poland, Tunisia, and Egypt. During fiscal year 1973 there were excess currencies in Israel. Nepal, and Yugoslavia but these are expected to be fully consumed.

Now this does not mean that we will be using these currencies for military purposes but it does point out that the potential for misuse is present.

The progressive shift from foreign currency sales to dollar credit sales is a much needed application of sound financing. It helps our balance of payments. Especially when these funds are beyond the authority of the appropriation process. They constitute in effect a gigantic military assistance slush fund out of which can be drawn resources for almost any military project any administration might desire.

In the past counterpart currencies have been used to pay the wages of Cambodian soldiers, to offset increasing defense costs from the cutback of MAP funding in Korea, and to provide clothing, construction, and construction materials in South Vietnam.

We do not know what they might be used for in the future.

Mr. President, since its inception in 1954, local currencies made available through Public Law 480 have been used to provide military assistance to many developing countries. This startling fact was first made clear during hearings before the Joint Economic Committee in 1971. At that time several witnesses testified that under Public Law 480, funds generated by the sale of U.S. agricultural commodities are credited to the United States in local currency. These moneys then are used for a variety of purposes; to finance U.S. expenses such as running the Embassy, to developing new markets for the United States and to establish exchange programs.

Unfortunately, under section 104(c) Public Law 480 also allows these funds to be used "to procure equipment, materials, facilities, and services for the common defense including internal security."

From 1954 to the end of 1972 over $1.7 billion has been used for this purpose. This comprises 13.4 percent of the total counterpart funds available for all purposes under this act.

The available figures for fiscal years 1972–74 are as follows: 1972, $67.06 million; 1973, $157.9 million; proposed 1974, $162.08 million.

Spain, Zaire, Cambodia, Indonesia, Japan, Korea, the Philippines, Republic of China, South Vietnam, Greece, Iran, Pakistan, and Turkey have benefited from this backdoor military financing. In recent years most of the funds have flowed to Korea, the Republic of China, South Vietnam, and Cambodia.

On February 22, 1971, I introduced a bill, along with Senators MANSFIELD, HUMPHREY, and MCGOVERN, that would have repealed the provisions under title I of the Agriculture Trade Development and Assistance Act of 1954 relating to the use of counterpart funds for military purposes. It also would have added language designed to prohibit any military goods or services for a recipient country. It never came to a vote.

Last year Senators HUGHES and HUMPHREY sponsored a similar amendment which was attached to the Foreign Assistance Act of 1972. That amendment died with the demise of the bill.

In this year's Foreign Military Sales and Assistance Act, there is an identical provision and I would endorse that statement, even though I consider it a weaker and less desirable alternative.

It is necessary that a strong prohibition be placed on S. 1888, the Agricultural Act of 1970 because this legislation extends Public Law 480 authority until 1978.

Mr. President, I would direct attention to page 67 of the committee report on the Agriculture and Consumer Protection Act of 1973. On that page, a chart shows how foreign currencies have been used under Public Law 480 since its inception in 1954. You will note that it indicates which countries have received military assistance from Public Law 480. It also shows that 13.4 percent of all the foreign currencies available under Public Law 480 have been used for military purposes.

Some of the purposes this funding has been applied to are listed in a message from the President in 1972 regarding the 1971 annual report on agricultural export activities carried out under Public Law 480. On pages 43 and 44, the President states that Public Law 480 counterpart funds have been and will continue to be used for the military support of Vietnam and Cambodia. These funds in fact go into a general joint support category in the South Vietnamese budget and in Cambodia they are used to provide military pay and allowances.

If the Department of Defense feels that these programs are essential to national security, then they should be included in the Pentagon's budget and justified before the Armed Services, Foreign Relations, and Appropriations Committees as is other military legislation.

No longer should we allow the Department of Agriculture to be a part of these military activities. It is not proper. Let it be handled straight-forward and out in the open if necessary. But why hide behind one of the best U.S. programs in existence—the food for peace program?

To the rest of the world, food for peace stands for the best in America—the unselfish humanitarian assistance to peoples and nations in need.

As long as we continue to allow Public Law 480 counterpart funds to be used for military purposes, however, food for peace will also be known as just another American attempt to support military governments and subtlely influence their policies.

Mr. President, in 1972 when this issue was debated in the Senate, it was pointed out that any prohibition should rightfully be placed on the agricultural bill. The very distinguished chairman of the Agriculture Committee said the matter should be considered when Public Law 480 was due to be extended in 1973.

That time has come.

The agriculture bill is the ideal legislation to contain a prohibition since it authorizes an extension of Public Law 480 authority for 5 years up to 1978.

We have given Cambodia $16.5 million in fiscal year 1972; $20.6 million in fiscal year 1973; and a proposed $24.7 million in fiscal year 1974 under section 104(c) of Public Law 480.

As for South Vietnam, in fiscal year 1972 they received $50.6 million; fiscal year 1973, $137.3 million; and fiscal year 1974 proposed at $137.4 million.

If these funds are necessary, let them come out of the Defense budget of the Foreign Military Sales and Assistance Act where they belong. Let them be subject to the appropriations process. Let the Armed Services Committees and the Foreign Relations Committee review these programs. But we should not allow them to continue to be used behind the back of Congress for another 5 years. It is a question of congressional oversight and control.

I am not saying that these funds have been used wisely or unwisely. I do not know though I may have suspicions. This is a question of putting military assistance where military assistance belongs, and to free the food for peace program from the embarrassing burden of behind the back military programs.

Finally, Mr. President, I want to discuss just what this amendment would do. The amendment is worded as follows:

First it repeals subsection (c) of section 104 which authorizes Public Law 480 foreign currencies to be used for military purposes.

Second, it would amend section 106 by adding: "No agreement entered into under this Act with any foreign country shall provide or require that foreign currencies accruing to the United States under this Act be used for the purpose of procuring for such country any equipment, materials, facilities, or services for any military or defense purpose—including internal security purposes.

Since this amendment deals only with United States held foreign currencies for use for the foreign country, it would in no way inhibit the operations of the U.S. embassy or military attaché program financed out of these counterpart funds. It would only prohibit these funds from being used for military purposes for the recipient country.

Mr. President, I am pleased to note that Senators MCGOVERN, HUGHES, ABOUREZK, CLARK, and HUMPHREY have agreed to cosponsor this amendment. Senator MCGOVERN, it should be noted, is a former director of the food for peace and is extraordinarily knowledgeable about the subject. Senator HUGHES has taken a long hard look at this practice as a member of the Senate Armed Services Committee, and I know that Senator ABOUREZK recently has concluded research in this matter. Senator HUMPHREY speaks from a wealth of interest, concern, and knowledge in this area.

This is the first time the Senate can express itself in support of the humanitarian function of food for peace and against the continued military application of food for peace generated funds.

There are many humanitarian programs we could use these counterpart funds for that would be consistent with the image of the food for peace program. Let us begin by not mixing food for peace and military purposes.

Mr. MCGOVERN. Mr. President, Senator PROXMIRE's pending amendment, which I have cosponsored, is an essential safeguard to the food for peace program.

The purpose of food for peace is to feed hungry people, not to permit governments to wage wars against people. It is a tragic irony that this effort to preserve and enhance life has become a back-door method to finance killing.

Many of us in this Chamber have been worried for a long time about the continuing arms race in the less developed countries. We have protested administration policies which contribute to this wasteful and dangerous competition. Now we can at least limit those policies by preventing the expenditure of counterpart funds, earned through food for peace, on the weapons of war.

It is wrong to exploit a program with the most humane purposes to support the most inhumane of mankind's practices.

It is wrong for the people who suffer from it, and wrong for our country, which pays for it. We have had enough trouble with our own mistaken war; and more trouble will be the likely result of financing the mistaken conflicts of other nations—conflicts in which our only true interest is noninvolvement. To paraphrase Senator TALMADGE, if the only alternative is to allow the use of counterpart funds to buy arms, then I would rather burn the money.

I do not want our Government to alienate one side in these obscure quarrels by arming the other side—and I certainly do not want us to arm both sides so they can fire American bullets at each other across a disputed border. I do not want food for peace perverted to make wars more possible.

Most of all, as the former Director of food for peace, I want the program to serve the purpose of peace—not war.

During the 1960's, we could not have

both guns and butter at home. During the 1970's, we should not send guns abroad under the guise of butter. Let us not mock the decent and generous instincts of food for peace—which is, after all, one of the idealistic initiatives of an earlier hopeful day that has not yet been ruined by the regrettable events of the last decade.

Mr. TALMADGE. Mr. President, the distinguished Senator from Nebraska, the ranking minority Member, and I have discussed this amendment; and in behalf of the committee, I am prepared to accept it.

Mr. PROXMIRE. I thank the distinguished manager of the bill.

Mr. TALMADGE. I hope the Senate will agree to it.

I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from New York (Mr. BUCKLEY) is recognized.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order of our amendments be reversed, and I want to associate myself with the Bayh amendment. That would place my amendment in a backup position, in case the Senate fails to adopt the Bayh amendment.

Mr. BAYH. Mr. President, reserving the right to object, I should like to associate myself not only with the remarks of the Senator from New York but also with his amendment, in the event my amendment is rejected.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Indiana is recognized.

AMENDMENT NO. 163

Mr. BAYH. Mr. President, I call up my amendment, No. 163, and I ask unanimous consent that Mr. Helfer, Mr. Mack, and Mr. Berman have the privilege of the floor during the debate and during the vote on the amendment.

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

The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 1, line 5, strike out "101(1)" and insert "101."

On page 1, strike out lines 6 and 7, and insert in lieu thereof the following:

"(A) amending subsection (1), effective beginning with the 1974 crop, to read as follows:

"'(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1978 crops of the commodities shall not exceed $20,000.'."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for 1 minute?

Mr. BAYH. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the amendment by Mr. STEVENS, Mr. CLARK and Mr. Moss then be recognized, in that order, to call up amendments.

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

Mr. ROBERT C. BYRD. Mr. President, I call the attention of the Senate to the fact that we have 8 amendments lined up for consideration, and we have only 2 hours and 15 minutes remaining, which time must include all rollcall votes. It will be necessary to reduce the time on amendments, and I therefore, ask unanimous consent at this point that time on any amendments from here on out—and any Senator may object if he wishes, of course—be limited to 15 minutes, the time to be allocated as follows: 10 minutes to the proponent, 5 minutes to the manager of the bill; and that time on any amendment to an amendment be limited to 10 minutes, to be equally divided.

Mr. SCOTT of Pennsylvania. Mr. President, if the Senator will yield, I wish to say that I strongly support that. Otherwise, we will get into a condition of inadvertent cloture.

Mr. ROBERT C. BYRD. Yes.

Mr. BAYH. Does that exclude the pending amendment?

Mr. ROBERT C. BYRD. If the Senator wishes to have his full time. I must say that, because of the time situation, I have made this request without prearrangement with Senators who have amendments.

Mr. BAYH. I do not think I am going to take the full time; but inasmuch as other Senators are interested and this matter has been around a long time and is rather critical, I would not want to foreclose someone else.

Mr. ROBERT C. BYRD. Mr. President, I exclude the pending amendment.

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

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. BAYH. Mr. President, first I want to congratulate the distinguished chairman of the Committee on Agriculture and Forestry, who is about do everything he can to defeat this amendment because he thinks it is wrong. But I thank him for his courtesy on my past amendments and for what I know will be a courteous exchange of views on this amendment. Even more important, as someone who has been reared on a farm and presently has a family farm and is intimately involved in farm legislation, I thank him and the members of the Agricultural Committee who drafted S. 1888.

Mr. TALMADGE. I thank the distinguished Senator.

Mr. BAYH. I think this is one of the best farm bills that has come down the pike, and certainly the best one since I have been in the Senate.

It is greatly improved over the last Agriculture Act. I think it will be improved by the adoption of the amendment now pending. But, having said that, I want to say very sincerely that I think it is a definite improvement over the past farm legislation. I say the same thing to the distinguished Senator from North Dakota, a ranking Republican member.

For the first time, I must say that under this bill my constituents, who are primarily feed grain producers, are treated as fairly and equally as wheat and cotton producers.

Under the 1973 bill they are assured of target prices on their entire production, rather than on only half of it as under the current bill. The target price in S. 1888 would assure cotton, feed grains, and wheat producers approximately the same level of income from the production of these commodities as they received in 1972 and 1973 from their marketings plus Government payments.

Mr. President, I am offering once again a $20,000 payment limitation—not including any payment determined by the Secretary to represent compensation for resource adjustment or public access for recreation. I did this because in the past we had been told by the opponents of the amendment that to apply the $20,000 limitation across the board would force large farmers primarily wheat and feed grain farmers, to leave the programs and plant fence to fence, and cause a penalty to be imposed. For this reason the present amendment which has been cosponsored by the distinguished Senator from Delaware (Mr. ROTH), and the distinguished Senator from New York (Mr. BUCKLEY), and several others, limits our effort to the income supplement.

Thus, the $20,000 limitation would not affect those resource adjustment programs that are designed to limit supply. It would not apply to those payments that are designed to get acreage out of production so that the amount produced will be in reasonable proximity to the supply necessary to reach the target price. I have always felt that a $55,000 limitation per crop was too high. Since S. 1888 excludes the resource adjustment payments from the limitation, such as set-aside, the $20,000 blanket limitation applying only to income supplement payments is even more desirable than it has been in the past, when all types of payments would have been subject to the limit.

Mr. President, I have two basic reasons, philosophic and practical, for feeling that we must have a limitation on the amount of subsidies that are paid. The first one goes to the agricultural reason. I hope we do not ignore in the new farm bill the basic tenet of farm programs in the past, and that is the need to strengthen the family farm. The family farm is no longer 60 acres with a mule. The family farm is larger, it is more mechanized, and it is more expensive to operate. Presently it is a

medium-size business. One can make a distinction between what is a medium-size family farm today and large corporate farms that are expanding year after year. If we are concerned about the family farm we should put our subsidy payments, our tax dollars, in those areas necessary to strengthen the family farm. That is why I say that in the $55,000 payment, or a total of up to $165,000 payment there is no direct relationship to strengthening the family farm. One of the major beneficiaries of Government payments in terms of dollar amounts is the large farm operation. Many of these farms receive payments well above this $20,000 payment limitation. Few of them, if any, require such large income supplement payments. Few small family farms receive payments in excess of $20,000. Many of them require adequate income supplements. This amendment sets a reasonable limit on such payments, and insures that Government money does not go to farmers who do not need it. Enough said for the agricultural reason.

Mr. President, I am a bit of a pragmatist as well as somewhat of an idealist. I think we are facing a real crisis today as far as any farm legislation is concerned. Nobody really knows what the price tag of this bill is going to be. I am willing to pay it, because I think it is a good bill. But I think the price tag will be significant. About 93 percent of the price will be paid by people who have never been on a farm, have never milked a cow, and who have never ridden a tractor.

They are going to pay the price when they go to the supermarket or to the corner grocery store. There is no Senator here who is not concerned about the increased cost of food. Those of us concerned about recent farm legislation have to come out of this debate with some clear signal to the housewife and the consumer that we are going to try to do something about it. Otherwise we will have a consumer rebellion that will make it impossible for us to have a farm bill when it comes to writing the check in the Committee on Appropriations. The $20,000 limit will be a signal to the housewife that this bill is designed to be directed to the area where attention is needed. At the same time it will provide the kind of basic support for the target price concept that is a fundamental ingredient of this bill.

I yield the floor.

Mr. TALMADGE. Mr. President, this amendment would impose a limit of $20,000 on payments to producers. Current law limits payments to $55,000 per crop. It would gut the whole purpose of the bill before the Senate today.

Mr. President, the thrust of the committee bill is to assure greater productivity on our Nation's farms so that consumers will benefit from an abundance of food and fiber.

It is a complex bill, and all of its parts are interrelated. The fullest success will be assured only if all parts remain together.

One of the most important aspects of the bill in regard to assuring consumers of an abundance of food and fiber has to do with target prices established in the bill at $2.28 for wheat, $1.53 for corn and other feed grains in relation and 43 cents for cotton. These prices were set at a level that the committee felt would encourage the necessary production indicated by our future needs. Farmers, as are all other Americans, are operating in an inflationary economy, but farmers cannot be expected to produce when costs of production are higher than the prices they receive.

If the abundance is forthcoming, and we expect it to be, but the demand for food and fiber is not as great as was expected, farmers will still be protected in that they will receive payments from the Government to make up the difference between whatever the market price might be and the target price.

If our goals are achieved farmers will receive no payments from the Government.

In order to achieve our goals farmers must receive reasonable prices and not be restrained by artificial barriers.

The $55,000 payment limitation in the bill is an integral part of the proposal to induce an abundant supply of food and fiber. Although the limitation is a barrier even at this level the committee felt that after 3 years farmers had made adjustments to it.

Any reduction in this payment limitation now will be inimical to the best interest of consumers and diametrically opposed to the purposes of the bill.

I might point out that many uninformed people feel that payments from the Government to farmers are no more than a handout. This is far from the truth and is indeed contrary to the facts. Take cotton for example. According to the Department of Agriculture in 1969, the total cost of producing cotton in the United States averaged 32 cents per pound. Since then the index of prices paid by farmers for production items, interest, taxes, and farm wage rates has increased by 31.5 percent.

If average cotton production costs have increased by the same rate, total costs in April of this would amount to 42.08 cents per pound, only about 1 cent less than the target price of 43 cents in the bill.

Mr. President, it is obvious that payments are an integral part of total prices received and in large part are used to cover the cost of production. Payments do not assure profits.

If we are going to achieve the goals in this bill, it is imperative that the payment limitation remain as it is in the bill. This is assurance to farmers that they can produce without fear of disaster prices.

Mr. President, this bill is designed to achieve an abundance of food and fiber for our consumers at home and for export abroad. If we are going to take care of the future, it is important that an abundance be assured. We cannot live without food and fiber. We must have it, and the bill so provides.

I urge that the amendment be rejected.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. TALMADGE. Mr. President, I yield such remaining time as I may have on the amendment to my distinguished colleague from North Dakota.

The PRESIDING OFFICER. There is no time remaining on the amendment.

Mr. CURTIS. Mr. President, I yield 2 minutes on the bill to the Senator from North Dakota.

Mr. YOUNG. Mr. President, it would be quite popular in my State to vote for this amendment. Only a handful of farmers, about 1 percent, get in excess of $20,000, and even those who get in excess of $20,000 do not get much more than that. But if prices remain anywhere near what they are now, this becomes a moot question. Farmers will get no payments whatever.

Another thing we have to take into consideration is that with inflation, the costs of a farmer's operations have increased more than 14 percent in the last year, more than any other segment of our economy; $50,000 now would not be much more than $30,000 was 3 years ago.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. Mr. President, I yield to my distinguished colleague from Delaware (Mr. ROTH).

How much time does he ask for?

Mr. ROTH. Two minutes.

Mr. BAYH. I yield 2 minutes to the Senator from Delaware.

Mr. ROTH. Mr. President, I shall be brief, because I know the time problems we have in order to complete the bill this afternoon, but I am happy to be a prime sponsor with the Senator from Indiana (Mr. BAYH) in proposing limiting these subsidies to $20,000, and I strongly endorse what he had to say about the need of keeping this cost down at the very time when the cost of food is increasing so rapidly to the housewife.

I think it is going to be very hard to justify to the consumer or to the housewife a payment of $55,000, or a total of $165,000, as permitted under the present legislation, at the very time when the average family is having great difficulties in making ends meet, because of the serious problems of inflation.

In any event, if we are going to continue subsidies, it only makes good sense that we direct our actions toward helping the family farm, and not help the large corporate farmers. That is what we are trying to do by cutting the amount of subsidies to $20,000.

I might say that this seems to me a particularly appropriate time to do it. As has been pointed out many times on the Senate floor, as well as in the committee report, the agricultural community is rightfully prospering and, from all predictions of economists, it will continue to prosper. For that reason this is the time to phase out the large farm subsidies. This is especially true in light of our serious fiscal problems. It is imperative that Federal spending be held down as a measure to fight inflation. We cannot afford as Senators to continue costly programs. Certainly there is no

justification to continue a practice that neither helps the small family nor consumer.

I would, therefore, urge my colleagues to vote on this farm amendment.

Mr. BAYH. Mr. President, I yield to the distinguished Senator from New York (Mr. BUCKLEY).

Mr. BUCKLEY. Mr. President, if I may have 1 minute, I just want to endorse and underscore the statements made by the Senator from Indiana and the Senator from Delaware. We have to restore a sense of balance in our overall legislation. I think at a time when the cost of living is rising, at a time when Americans feel so desperately the burden of high taxation, we must recognize that there is some limit to what we can ask of the average taxpayer who earns about $10,000 when it comes to asking him to subsidize people who do not need subsidies.

It seems to me the level suggested in the amendment now under discussion makes an appropriate dividing line between those who have a need and those who do not.

I urge my colleagues to adopt the amendment and to telegraph to the Nation that some of us are moving, where we can, to reduce supports in this manner.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. Mr. President, I yield 2 minutes to my distinguished colleague from Utah (Mr. Moss).

Mr. MOSS. Mr. President, I support the amendment offered by the Senator from Indiana. I think that what we are talking about is assisting the family farmer, who is going to lose, really, his livelihood, possibly his farm. Therefore, he is entitled to some sort of assurance that he will not be wiped out.

I have an amendment I shall offer later that deals with those who talk about closing loopholes, and adding up the payoffs.

I think we ought to break the amount down to a $20,000 limitation. We are dealing with the family farmer and an emergency situation.

The argument made, as I understand, by the manager of the bill and the Senator from North Dakota (Mr. YOUNG) is that while prices are up enough so that farmers are not going to need any money, therefore, we should not bother to have the lower priced amendment. I hope that prices will be adequate so that it will not be necessary to make the payments. But if that is so, it does not hurt to come down from $55,000 to $20,000. So let us have that assurance, so that nobody will be able to fault the Senator's statement.

I can assure Senators that General Accounting Office studies that have been published show a decrease in some instances. Admittedly, they are across the board, but when they are published they shake the confidence of the consumer who is having such a tough time in the supermarket. There are going to be further increases in the agricultural program.

I compliment the committee for reporting a fine agricultural bill. I think it is a great piece of work. But I think that in the field of subsidy payments we must reduce the amounts. Therefore, I support the amendment of the Senator from Indiana.

Mr. BAYH. Mr. President, how much time remains?

The PRESIDING OFFICER. Five minutes remain on the amendment.

Mr. BAYH. I appreciate deeply the remarks of the Senator from Utah (Mr. Moss), the Senator from Delaware (Mr. ROTH), and the Senator from New York (Mr. BUCKLEY).

I have pursued this subject, as have other Senators, consistently over a number of years. One of the major reasons that goes to the legislative responsibility that has been used to oppose this proposal in the past is that "we have a farm bill that has another year to run or 2 years to run; and to rush in irresponsibly and add this amendment to the bill is to destroy a contract we have made as a result of the provisions of the farm bill."

Frankly, there may have been some credence to this view in the past. Surely if that was the argument that was presented before, now is the time to face it. We are putting together a basic farm program. It is an adequate program. But let us say definitely to the farmers, as well as to the public, that it is going to be a good farm program.

I remember my first year here. I do not intend to be critical of Senators, because they did the things they knew best, but we came up with a wheat program after most of the wheat had been planted. That is not the case now. Now is the time to add this payment limitation to one of the best bills we have ever had.

I simply want to reiterate what my friend from New York said relative to our good friend from North Dakota's observations. If the program really works the way it is supposed to there will not be a demand for a subsidy. It seems to me that is why we have to have a limitation. Just in the event the program does malfunction, there will be an understanding that not many people are going to be adversely affected.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of all those who received $20,000 or more, State by State, under the last program.

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

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

NUMBER OF PAYEES RECEIVING $20,000 AND OVER, 1972 CALENDAR YEAR, BY SPECIFIED PROGRAMS AND TOTAL

State	Feed grain program	Wheat program	Upland cotton program	All ASCS programs
Alabama	1		506	573
Alaska				2
Arizona	29	1	760	887
Arkansas		2	856	897
California	73	31	1,428	1,861
Colorado	52	75		381
Connecticut				
Delaware	1			2
Florida	2		10	73
Georgia	20		413	601
Hawaii				21
Idaho	3	106		283
Illinois	151			202
Indiana	77			115
Iowa	187	1		210
Kansas	105	74		540
Kentucky	10		2	20
Louisiana	1		412	533
Maine				
Maryland	7			12
Massachusetts				1
Michigan	6			22
Minnesota	74	12		182
Mississippi	1		1,790	1,872
Missouri	79		89	283
Montana	13	331		647
Nebraska	137	11		340
Nevada		3	3	28
New Hampshire				
New Jersey	1			2
New Mexico	80	53	87	410
New York	1			9
North Carolina	6		110	153
North Dakota	5	117		414
Ohio	14			38
Oklahoma	7	55	40	276
Oregon	3	43		92
Pennsylvania	5			7
Puerto Rico				
Rhode Island				
South Carolina	5		329	428
South Dakota	12	69		201
Tennessee	2		166	216
Texas	614	195	2,047	5,195
Utah		6		81
Vermont				
Virginia	3			7
Virgin Islands				
Washington	2	163		299
West Virginia				
Wisconsin	27			30
Wyoming		2		139
Total	1,816	1,350	9,045	18,585

Mr. BAYH. Mr. President, I would also like to have unanimous consent to have printed in the RECORD a tabulation showing the key facts in favor of a $20,000 payment limitation.

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

KEY FACTS IN FAVOR OF A $20,000 PAYMENT LIMITATION

1. Number of producers receiving checks of $20,000 or more.

	1970	1971	1972	Percent change 1970–72
Cotton producers	7,753	8,810	9,066	+17
Feedgrain producers	1,395	245	1,855	+33
Wheat producers	1,223	1,088	1,388	+13
Total	10,371	10,143	12,039	+19

2. Total payments to producers receiving $20,000 or more in 1972.

	Total payments	Amount in excess of $20,000/producer	Excess payments (percent)
Cotton producers	$319,384,000	$138,064,000	43
Feedgrain producers	53,088,000	15,988,000	30
Wheat producers	39,288,000	11,488,000	29
Total	411,760,000		

Note: Potential reduction in government expenditures with $20,000 limitation, $165,540,000.

3. Percentages of producers versus total production affected by a $20,000 limit.

	Producers (percent)	Total production (percent)
Cotton	4.0	39.5
Feed grains	0.1	3.0
Wheat	0.1	4.5

Mr. BAYH. Mr. President, a $20,000 limitation on total payments to an individual producer would reduce Government expenditures without reducing the benefits of the program to small family farmers. Had a $20,000 limitation been in effect last year, the potential savings in Government expenditures would have been about $165,540,000.

I do not know how we can go back home and explain this situation to those who are now hard pressed to cover expenses and pay for the cost of groceries.

I hope that the Senate will agree to the amendment and smooth off one of the rough edges of an otherwise very good bill.

Mr. BENTSEN. Mr. President, I rise today to strongly urge my colleagues to defeat any proposals to lower the $55,000 payment limitation on farm subsidies. There are those among us who would lower the payment limitation to the $20,000 range, and I have a strong concern that if Congress took this action, it would be a grave error.

The cotton industry would be most affected by this payment reduction, and I would like to call to my colleagues, attention the adverse effects a $20,000 limitation would have on that important industry.

As the very able chairman of the Committee on Agriculture has pointed out on several occasions, there are important domestic and foreign markets for cotton which must be fulfilled. Cotton, a natural fiber, competes on our domestic market with manmade fibers which originate from petrochemical materials. And with this Nation's energy problems, there is every indication that the need for cotton is increasing, because it acts as an important buffer against rising prices of petrochemical-based fibers.

Mr. President, foreign markets for cotton are also expanding with cotton from my own State leading the way. Recently, a sale of 100,000 bales of Texas Plains cotton was made to the People's Republic of China, thus opening new doors for overseas sales of U.S. agricultural products. Continued cotton production will enable us to continue to earn, or expand, approximately three-quarters of a billion dollars which our cotton earns for us on foreign markets.

These markets can expand only if we do not reduce our production of cotton.

These market demands, both domestic and foreign, must be met and if not with American cotton, then certainly with cotton from our foreign competitors.

How does the limitation question affect this market demand? USDA data on the 1972 crop of cotton shows that a $20,000 limitation would adversely affect 44 percent of our cotton production. This adverse effect would be a sharp reduction in the supply of natural fiber, thus driving up the cost of fulfilling our fiber needs. The alternative would be to import cotton and our balance-of-payments situation dictates this to be unacceptable. It would be far better to continue our supply of cotton and thus continue the price competition with manmade fibers.

Mr. President, it must be realized by those who criticize the $55,000 limitation that the payment is not all profit to the farmer. According to a USDA study of cotton production costs the average cost of production for cotton is about 33½ cents a pound and yet the average selling price in 1972 was 26.7 cents. That is a tremendous difference; and points well to the fact that subsidy payments are necessary if we are to have adequate domestic cotton production. We need cotton, but at this time our farmers cannot produce it without financial assistance. Therefore, the subsidy payment can be called a consumer payment, because without it when production costs are higher than the market price, we cannot expect our farmers to continue to provide us with cotton. It is a production incentive to cover costs, not a profit payment.

I would also point out that under the present bill, if the market will provide a fair price for our farmer's cotton, the subsidy payments will not be necessary and there will be no expense to the government. Under the new program, government expense will occur, only when payments are needed to help generate a fair price to help cover production costs.

Cotton is an important crop with over 5 million people connected directly with it and 12 million people indirectly connected with it. It is a crop that keeps our cost of fiber low and contributes favorably to our balance-of-payments position. However, under present conditions it cannot be produced in the necessary quantities without assistance in the form of subsidy payments. Because of these facts, Mr. Chairman, I strongly urge my colleagues not to restrict 44 percent of this valuable industry by lowering the payment limitation to the $20,000 range.

Mr. CRANSTON. Mr. President, I rise in opposition to the amendment offered by Senator BAYH, an amendment which would further limit the payment limitation provisions of the cotton, wheat, and feed grain programs to $20,000 per person.

This amendment would have a disastrous impact on the agricultural economy of my State of California. The principal supported crop in California is cotton. The cotton industry in 1973 will bring more than $350 million to California's economy. In turn, this will create more than $1 billion in new business including retail sales, and purchase of power, fertilizers, and farm equipment.

Nationally, cotton also contributed a tremendous amount to our economy and our balance of payments. In 1973, it is anticipated that we will export 4,700,000 bales of cotton. At $175 per bale, this will mean around $822 million of exchange for our balance of payments. Obviously, Mr. President, the issue here is how much support the Government contributes toward a strong, healthy cotton industry in this country.

The major source of confusion surrounding the amendment offered here today is whether a further payment limitation is required in order to protect small farmers. I submit that it is not. In fact, if this amendment is adopted, it will primarily affect the small to medium-sized cotton farm in my State. The large, giant, wealthy cotton farmers are not participating in the program. This is because in 1970 they recognized that, with cotton prices up, they could survive economically without any payment from the Government. Consequently, this amendment has no impact on the huge farming operations, as is suggested by the amendment's proponents. Rather, its impact will be on the smaller operations, especially those which benefited from the imposition of a $55,000 limitation in the Agriculture Act of 1970.

With the new target pricing mechanism of this bill, there is no way of estimating the exact size of farm that would be affected by the difference between a $20,000 limitation and a $55,000 limitation. Right now, cotton prices are high—higher than the 43 cents target price provided by S. 1888. Under these conditions, the Federal Government will pay nothing to the cotton farmer.

But, for example, if the price of cotton on the market were to drop to 28 cents—where it was just a few years ago—the Federal Government under the target pricing mechanism would owe the farmer 15 cents per pound of cotton produced—up to the payment limitation. At this rate of payment, a $20,000 limitation would be reached on a cotton farm of only 200 acres, and a $55,000 limitation, would be reached on a cotton farm of 520 acres. Thus, the amendment proposed by my colleague from Indiana will affect cotton farms of between 200 and 520 acres. These are not the giant farming operations that are supposedly the object of this amendment. In California, these are small cotton farms.

In 1971, the limitation provision of the 1970 act according to a USDA study, affected about 1,350 farmers who had received more than $55,000 each in the 1970 cotton, wheat, and feed grains, programs. According to this same study, if the maximum payment to any one person

had been $20,000 in 1971, some 10,000 farmers would have been affected. The major impact of this lower limit would fall on the cotton program and cotton producers. In the 1971 cotton program, 8,742 persons received between $20,000 and $55,000 in program payments. Collectively, 8,742 persons received 37.7 percent of the total cotton program payments in 1971.

Furthermore, as I stated before the Senate yesterday, this $20,000 limitation provision discriminates against States like California and Arizona. Figures compiled by the USDA in December 1972, reveal the disproportionate impact that a payment limitation reduction would have on California. For example, in 1972, California producers received a total Federal payment of $93,336,501. Sixty-three percent of this, or $60,128,375, went to producers receiving between $20,000 and $55,000. In contrast, the total Federal payment to Iowa producers was $308,173,003, with less than 2 percent of this amount being paid to producers in the $20,000 to $55,000 category. In other words, the imposition of a $20,000 payment limitation would have grave economic consequences for California's agriculture but would be insignificant for Iowa's.

If this amendment is approved, large amounts of acreage now planted in cotton may be diverted to other crops, including nonsupported crops such as grapes, nuts, tree fruits, cling and freestone peaches, plums, nectarines, apricots, berries, carrots, asparagus, tomatoes, cantaloupes, safflower, olives, figs, and pomegranates. It is not difficult to imagine the chaos that would result. Thousands of acres of cotton land which cannot produce cotton without the subsidy will be forced onto the market or into these and other crops.

In short, Mr. President, this amendment would cripple California's cotton industry and would have indirect, but just as grave, consequences for many of the nonsupported crops grown in my State. I urge the defeat of this amendment.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Indiana. 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. PASTORE (after having voted in the affirmative). On this vote I have a pair with the Senator from Arkansas (Mr. MCCLELLAN). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. MAGNUSON (when his name was called). On this vote I have a pair with the Senator from New Hampshire (Mr. COTTON). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. RANDOLPH (after having voted in the affirmative). On this vote I have a pair with the Senator from Mississippi (Mr. STENNIS). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. ROBERT C. BYRD (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Arkansas (Mr. FULBRIGHT). I do this to fulfill a commitment by the distinguished majority leader. If the Senator from Arkansas were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. SPARKMAN (after having voted in the negative). On this vote I have a pair with the Senator from Iowa (Mr. HUGHES). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. BUCKLEY. Mr. President, regular order.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), and the Senator from Arkansas (Mr. MCCLELLAN) 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 Michigan (Mr. HART) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from New Hampshire (Mr. COTTON), is absent because of illness in his family, and his pair has been previously announced.

The Senator from New Mexico (Mr. DOMENICI) is absent to attend the funeral of a friend.

The Senator from Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Nebraska (Mr. HRUSKA) would each vote "nay."

The result was announced—yeas 45, nays 37, as follows:

[No. 184 Leg.]

YEAS—45

Abourezk	Cook	Pell
Bartlett	Hartke	Percy
Bayh	Hatfield	Proxmire
Beall	Huddleston	Ribicoff
Bellmon	Humphrey	Roth
Bible	Jackson	Saxbe
Biden	Javits	Schweiker
Brooke	Kennedy	Scott, Pa.
Buckley	Mathias	Scott, Va.
Byrd, Harry F., Jr.	McGovern	Stafford
	McIntyre	Stevenson
Cannon	Metcalf	Taft
Case	Mondale	Weicker
Chiles	Moss	Williams
Church	Nelson	
Clark	Packwood	

NAYS—37

Aiken	Fong	McGee
Allen	Goldwater	Montoya
Baker	Gravel	Nunn
Bentsen	Gurney	Pearson
Brock	Hansen	Stevens
Burdick	Haskell	Symington
Cranston	Hathaway	Talmadge
Curtis	Helms	Thurmond
Dole	Hollings	Tower
Eagleton	Inouye	Tunney
Eastland	Johnston	Young
Ervin	Long	
Fannin	McClure	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—5

Pastore, for.
Magnuson, against.
Randolph, for.
Robert C. Byrd, for.
Sparkman, against.

NOT VOTING—13

Bennett	Griffin	McClellan
Cotton	Hart	Muskie
Domenici	Hruska	Stennis
Dominick	Hughes	
Fulbright	Mansfield	

So Mr. BAYH's amendment was agreed to.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOSS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized to offer an amendment.

Mr. BUCKLEY. Mr. President, in view of the vote on the Bayh amendment, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senate will be in order. Senators in the aisle who are conversing are requested to retire to the cloakrooms so that Senators who wish to speak may be heard.

The Senator from Maryland (Mr. MATHIAS) is recognized.

Mr. MATHIAS. Mr. President, the distinguished Senator from Utah (Mr. Moss) has asked if I would exchange time with him, because his amendment follows sequentially the amendment just agreed to.

Therefore, I ask unanimous consent that I may change places in order of amendments with the Senator from Utah.

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

AMENDMENT NO. 201

Mr. MOSS. Mr. President, I thank my colleague from Maryland for his consideration, and I shall try to be very brief.

My amendment is, indeed, a follow-on to the one just agreed to by this body. I call up my amendment No. 201, and ask unanimous consent that I may be permitted to explain the amendment, and also ask unanimous consent that the name of the Senator from Delaware (Mr. ROTH) be added as a cosponsor.

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

The amendment will be stated.

Mr. THURMOND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THURMOND. Do I correctly understand that the withdrawal of amendments and the change in order of presentation will not affect the time for the final vote?

The PRESIDING OFFICER. The Chair would advise the Senator from South Carolina that there is a time limitation of 15 minutes on each amendment, 10 minutes to the proponent and 5 to the manager of the bill, with a 10-minute limitation on each vote.

Mr. THURMOND. I understand that the final vote has been fixed at 2:30 p.m. today. Is that correct?

The PRESIDING OFFICER. The vote on passage has been fixed by unanimous-consent agreement at no later than 2:30 p.m.; the Senator is correct.

Mr. THURMOND. I thank the Chair.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 1, line 5, strike out "101(1)" and insert "101".

On page 1, line 6, insert "in paragraph (1)" immediately before "and".

On page 1, line 7, strike out "and".

On page 2, at the end of line 3, add a comma and the word "and".

On page 2, between lines 3 and 4, insert the following:

"(C) adding at the end thereof a new subsection as follows:

"'(5) In any case in which the owner or operator of a farm leases any portion of the farm or any portion of the acreage allotment for the farm to one or more persons, the payment limitation prescribed by this section shall apply in the same manner as if the leasor had not leased such portion of the farm or acreage allotment, except that such limitation may be applied by the Secretary on a pro rata basis (or other basis specified by the leasor) between the leasor and leasee or leasees. In no event may the total payments made with respect to the portion of the acreage or acreage allotment, as the case may be, retained by the leasor and the portion of the acreage or acreage allotment leased by the leasor exceed the total payment limitation established by this section. Nothing in this paragraph shall be construed to authorize the payment to any person of any amount in excess of the payment limitation established in this section. The provisions of this subsection shall not apply to leasing arrangements entered into prior to the date of enactment of the Agriculture and Consumer Protection Act of 1973.'."

Mr. MOSS. Mr. President, first of all, I wish to commend the Senator from Georgia and the entire Committee on Agriculture and Forestry for a fine piece of legislation. The new target-price concept will be a boost to farmers throughout America.

My amendment is really a follow-on to that which the Senate has just agreed to, setting the limitation on subsidy payments at $20,000 for any one operator.

My amendment is simply a limitation to make sure that there is not some sort of dodge practiced, so that a single operator or farmer cannot, by leasing off a part of his property or taking other steps of that sort, really obtain more than the amount of the limitation that we have set. Under the limitation that we have previously had of $55,000, there were a number of dodges executed, and many were able to obtain an additional return.

The question raised by my amendment is simple: Does Congress really want to say that huge Federal handouts to wealthy farmers must be stopped? Or do we continue to pretend that such a limit has been enacted, when we know that loopholes allow fat payments to flow into the pockets of absentee landlords, hobby farmers, and well-to-do agribusiness?

We must say "No" to this practice. I believe that Congress intended to enact a solid lid on farm payments in 1970. The intent of Congress was to save the taxpayers of America millions of dollars in farm subsidies handed out to wealthy operators—not small farmers.

The PRESIDING OFFICER (Mr. JOHNSTON). If the Senator will suspend, the Chair would state that it will take unanimous consent to consider his amendment because it amends the same language as that amended in the last amendment.

Mr. MOSS. Mr. President, I ask unanimous consent that my amendment may be modified as follows:

On page 2, at the end of line 3, add a comma and the word "and".

On page 2, between lines 3 and 4, insert the following:

(C) adding at the end thereof a new subsection as follows:

"(5) In any case in which the owner or operator of a farm leases any portion of the farm or any portion of the acreage allotment for the farm to one or more persons, the payment limitation prescribed by this section shall apply in the same manner as if the leasor had not leased such portion of the farm or acreage allotment, except that such limitation may be applied by the Secretary on a pro rata basis (or other basis specified by the leasor) between the leasor and leasee or leasees. In no event may the total payments made with respect to the portion of the acreage or acreage allotment, as the case may be, retained by the leasor and the portion of the acreage or acreage allotment leased by the leasor exceed the total payment limitation established by this section. Nothing in this paragraph shall be construed to authorize the payment to any person of any amount in excess of the payment limitation established in this section. The provisions of this subsection shall not apply to leasing arrangements entered into prior to the date of enactment of the Agriculture and Consumer Protection Act of 1973."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. CURTIS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Will the Senator please send his modification to the desk.

The clerk will state the modification.

The legislative clerk read as follows:

On page 2, at the end of line 3, add a comma and the word "and".

On page 2, between lines 3 and 4, insert the following:

(C) adding at the end thereof a new subsection as follows:

"(5) In any case in which the owner or operator of a farm leases any portion of the farm or any portion of the acreage allotment for the farm to one or more persons, the payment limitation prescribed by this section shall apply in the same manner as if the leasor had not leased such portion of the farm or acreage allotment, except that such limitation may be applied by the Secretary on a pro rata basis (or other basis specified by the leasor) between the leasor and leasee or leasees. In no event may the total payments made with respect to the portion of the acreage or acreage allotment, as the case may be, retained by the leasor and the portion of the acreage or acreage allotment leased by the leasor exceed the total payment limitation established by this section. Nothing in this paragraph shall be construed to authorize the payment to any person of any amount in excess of the payment limitation established in this section. The provisions of this subsection shall not apply to leasing arrangements entered into prior to the date of enactment of the Agriculture and Consumer Protection Act of 1973."

The PRESIDING OFFICER. The Senator's amendment is so modified.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. CURTIS. Mr. President, a point of order.

The PRESIDING OFFICER. Who yields for the point of order?

Mr. MOSS. Mr. President, I understand that I am on very limited time and I certainly would like to have the opportunity to explain my amendment.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. MOSS. Mr. President, let me point out that studies made by GAO and the Department of Agriculture have confirmed the fact that the anticipated savings were merely an illusion on paper. The GAO study summarized the effects of the $55,000 limitation and its weak regulations as causing "no significant reduction in the total amount of 1971 cotton, wheat and feed grain program expenditures." The total savings for 1971 and 1972, respectively were a meager $2.2 and $2.8 million. The regulations implemented by the Agriculture Department were not effective in preventing evasive tactics by large producers to receive payments above the $55,000 limitation.

This amendment will make the payment limitation set by Congress, regardless of the amount, an effective limitation. It will plug the loophole which allows leasing of allotments and/or land for excessive payments resource adjustment.

Let me point out that the impact of the payment limitation has already been reduced in the bill by eliminating its application to money farmers receive for not producing crops. Under the new bill before us, the limit would apply only to the money a farmer gets when he sells crops at a low price and receives a payment to bring that price up to an adequate level. So we are really talking about limiting the welfare subsidy a farmer receives.

The lessee would still be entitled to the full amount under any loan program. These regulations would become effective when the 1970 program expires. Any prior agreements or partnerships between producers would remain in effect unless terminated through provisions in the 1970 or 1973 bills. The majority of leases entered into since 1970 will end

this year making the new regulations an effective clamp on the leasing loophole. We simply say that no matter how many times a farmer splits up his farm by leasing parts of it to friends, members of his family, or any other persons, the total subsidy received by all of them together can't go above the limitation.

There is no attempt whatsoever in this amendment to set the amount of the present payment limitation either higher or lower. But if the intention of Congress is to fix a definite price ceiling, then why should we leave provisions in the bill allowing evasive actions to avoid the limitation? Why should huge corporations and producers be subsidized to the tune of $2 to $3 million when Congress authorized a payment limit? Whatever the amount this body decides upon as a payment limitation, it should carry with it the regulations that will make it effective and feasible for the Department of Agriculture to administer. This amendment will accomplish those important tasks.

The Agriculture Department has issued several regulations over the past 2 years which have closed some of the loopholes in the 1970 limitation. But the main method used to reduce the financial impact of the limitation—leasing acreage allotments to spread payments to more persons—is still an open avenue in the 1973 farm bill. This loophole will remain, no matter whether the limitation is set at $10,000 or $100,000, unless my amendment is accepted by Congress. If not, the economist John A. Schnittaker accurately predicts the results of another payment limitation in accord with the 1970 Act:

If Congress is not willing to enact strict controls on farm splitting and to require USDA to enforce it, there is no point in a payment limitation on individual farms at any level. The real outcome of an exercise such as the $55,000 limitation in the 1970 Act is to make it inconvenient for farmers to collect their welfare grants for growing cotton, but not so inconvenient as to stop the payments.

Mr. President, I hope that the Senate will be consistent with its previous intent, and thereby adopt my amendment.

Mr. President, the amendment which I offer would prohibit the leasing of farms to friends, relatives, or otherwise to split them up in order to be able to get a subsidy on the crop payment when it is sold. I believe that this is simple equity, that this is what we want to do and what we tried to do when we put in the farm limitation.

Mr. President, I ask unanimous consent to have printed in the RECORD two articles published on this subject, one in the Christian Science Monitor and the other in the Wall Street Journal, which explain exactly what we are trying to accomplish.

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

[From the Christian Science Monitor, May 13, 1972]

LOTS MORE SUBSIDY CREAM TO BE SKIMMED

Something is wrong in the administration of the law that limits farm subsidy payments to $55,000 per crop. Instead of skimming the subsidy cream off the top, passage of the $55,000 limit seems only to have taken a little of the foam off the cream on top.

From 1966 to 1970, federal taxpayers contributed from $2.5 billion to $3.3 billion a year to support farm prices by payments to growers. Six gigantic farm corporations received more than a million dollars each in 1970 subsidies—and two of them got more than $4 million. The scandal of these immense payments flowing out of what was supposed to be aid to individual farmers and their families finally reached Congress, and in 1970 a $55,000 per crop per producer limit was passed.

In view of the fact that more than half the subsidy payments were being made to the 15 percent of farm ownerships with annual sales of more than $20,000, the $55,000 limit seemed high, and there was a spirited debate about making the limit $20,000.

It's time to look at the proposal again, for a new study by the General Accounting Office (GAO) has unearthed the exploitation by some farm companies of loopholes in the 1970 law. According to the Department of Agriculture, the $55,000 law has produced savings of only $2,180,000, a small dent in a multi-billion-dollar program.

The U.S. Agricultural Stabilization and Conservation Service (ASCS) has the responsibility for seeing that crop payments are "valid, accurate and in compliance" with law. On the contrary, the GAO found cases in which farmers have used subterfuges to spread the $55,000 ceilings around among relatives, business partners, or new corporations or partnerships. Moreover, if the county ASCS committee looked the other way while this finagling was going on, the GAO contends that higher levels of the ASCS organization did nothing.

When a Mississippi farmer can lease most of his 5,000 acres of cotton allotments to 45 other persons, so that all qualify for subsidy payments, there's a breakdown in administration. A tougher law would help. Surely a $20,000 payment ceiling would be enough to persuade a farm family to keep a field out of production for a year.

Meanwhile, we have the General Accounting Office to thank for telling us of another instance in which the Department of Agriculture has completely negated an admittedly weak law by poor administration.—Louisville Courier-Journal

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[From the Wall Street Journal, May 9, 1973]

THERE GOES THAT SONG AGAIN

A study prepared recently for Congress' Joint Economic Committee found that only 7% of the benefits from the government's farm commodity programs go to the poorest 41% of U.S. farms, while the richest 7% receive 32%.

The precise figures may be new but the pattern is familiar: A price support program devised to help poor and marginal farmers chiefly benefits those who least need help. No wonder the administration proposes reducing the farmer's dependence on government payments, enabling him to increase crop exports and giving him greater freedom in planting decisions.

Yet what is true for agriculture is discouragingly true elsewhere. If agricultural subsidy programs have mostly helped large farms, the much-heralded war on poverty mostly helped an army of nonpoor administrators, consultants and advisers. The foreign aid program, with its promise to close the gap between social classes and between rich and poor nations, largely lined the pockets of the ruling class and made almost no dent in the living standards of the masses.

The solution is not outright elimination of government programs, but a lowering of sights, which means a realistic understanding of the limits of paternalism. Government programs can assist, but they are usually insufficient by themselves to change traditions, alter beliefs or reorient preferences. They should aim not so much at income redistribution (which is usually a tacit rather than a stated goal), but at generating additional income by providing the skills and technology that—on the farm, in the cities, or overseas—increase wealth.

That way is cheaper in terms of dollars; for example, former U.S. budget director Charles Schultze estimated some time ago that consumers would pay $4.5 billion less for food annually if all government farm programs were abolished. More importantly it is cheaper in terms of social stress, by avoiding the false hopes and expectations that lead to the kind of bitterness and disillusionment that are so easily translated into confrontation and unrest.

Mr. MOSS. Mr. President, I would hope that we might move on to vote on the amendment to make it a completing part of the Bayh amendment.

I would ask the distinguished manager of the bill if it would be possible for him to accept this amendment so that it would not be necessary to go to a roll-call vote. However, I reserve the remainder of my time.

Mr. TALMADGE. Mr. President, I regret very much that I cannot accept the Senator's proposition. This amendment is far worse than the Bayh amendment.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, this amendment would confiscate property without due process of law. Allotments of land are very valuable property. They give the owner the right to produce a commodity and receive the benefits of the program.

The previous amendment provided a limitation on payments for the production of commodities in the United States. Now the pending amendment would compound that and say that a man who had a valuable property right could not even dispose of it. That would be confiscation of property without due process of law. It is as simple as that.

In my judgment, this amendment would destroy the purposes of the pending bill which was voted unanimously by the Committee on Agriculture and Forestry. It would produce a scarcity in this country. We would be importing cotton into the United States of America in a very short period of time and I do not know what else we would be importing thereafter. We may have lines of people trying to buy things not available in our stores.

I hope the time will never come when the Senate will vote to confiscate a valuable property right without due process of law.

Mr. President, I reserve the remainder of my time.

Mr. MOSS. Mr. President, I yield myself 1 minute to answer quickly what has just been said by the distinguished manager of the bill.

My amendment would not stop at all the right of a farmer to lease part of his farm or to transfer it. It would simply provide that he cannot use it as a device to get an additional subsidy payment from the leasing part. One of the abuses that crept in when the $55,000 limitation was put on was the leasing off of part of a farm to the children, neigh-

bors, or anyone else, thereby compounding the payments.

That is not what is aimed at in this amendment. What is aimed at is to stop that as a racket. We simply say that if he claims one of these subsidy payments, he may not compound it by a leasing procedure to break it up into pieces so that he gets duplicate subsidy payments.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Is the Senator prepared to yield back his time?

Mr. MOSS. Yes. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has been now yielded back.

The question is on agreeing to the amendment of the Senator from Utah (Mr. Moss) as modified.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Arkansas (Mr. MCCLELLAN) 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. MCCLELLAN) would vote "nay."

I further announce that, if present and voting, the Senator from Michigan (Mr. HART) would vote "yea."

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 Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The Senator from Kentucky (Mr. COOK) is detained on official business.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Nebraska (Mr. HRUSKA) would each vote "nay."

The result was announced—yeas 42, nays 44, as follows:

[No. 185 Leg.]

YEAS—42

Abourezk	Haskell	Proxmire
Bayh	Hatfield	Ribicoff
Beall	Javits	Roth
Bible	Kennedy	Saxbe
Biden	Magnuson	Schweiker
Brooke	Mathias	Scott, Pa.
Buckley	McGovern	Scott, Va.
Byrd, Harry F., Jr.	McIntyre	Stafford
	Metcalf	Stevens
Cannon	Moss	Stevenson
Case	Nelson	Taft
Chiles	Packwood	Weicker
Church	Pastore	Williams
Clark	Pell	
Hartke	Percy	

NAYS—44

Aiken	Fannin	McClure
Allen	Fong	McGee
Baker	Goldwater	Mondale
Bartlett	Gravel	Montoya
Bellmon	Gurney	Nunn
Bentsen	Hansen	Pearson
Brock	Hathaway	Randolph
Burdick	Helms	Sparkman
Byrd, Robert C.	Hollings	Symington
Cranston	Huddleston	Talmadge
Curtis	Humphrey	Thurmond
Dole	Inouye	Tower
Eagleton	Jackson	Tunney
Eastland	Johnston	Young
Ervin	Long	

NOT VOTING—14

Bennett	Fulbright	Mansfield
Cook	Griffin	McClellan
Cotton	Hart	Muskie
Domenici	Hruska	Stennis
Dominick	Hughes	

So Mr. Moss' amendment was rejected.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TALMADGE. I move to lay that motion on the table.

Mr. MOSS. I ask for the yeas and nays.

The PRESIDING OFFICER. What is the Senator's motion?

Mr. MOSS. I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

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

Mr. ROBERT C. BYRD. I hope the Senator will not do that. We have only 1 hour and 10 minutes remaining. We yet have five amendments remaining, and we are going to get to the point where Senators who are at the end of the line will have no time at all on their amendments. The Senator has had his chance. I hope he will not ask for a quorum call. If he wants to ask again for reconsideration, I have no objection.

Mr. MOSS. I moved to reconsider and there has been a motion to table. I think we are entitled to reconsideration. There is a lot of switching of votes at the end and finally one vote would have changed the result. Under the circumstances I think the Senate should be entitled to examine the position we have taken. We just voted the Bayh amendment and this is a switch from it, and now we say we do not mean $20,000.

The PRESIDING OFFICER. The motion to table is not debatable. There was no sufficient second.

Mr. BAYH. Mr. President, may we try for the yeas and nays again?

The PRESIDING OFFICER. There is now a sufficient second.

Mr. ROBERT C. BYRD. Mr. President, I shall ask for the regular order at the end of the 10 minutes on each rollcall from here on out. I am constrained to do so because of the severe limitation of time. Perhaps that will stop some of the late vote jockeying also.

The PRESIDING OFFICER. 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 Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), and the Senator from Arkansas (Mr. MCCLELLAN) 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 Michigan (Mr. HART) would vote "nay."

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 Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senate from Nebraska (Mr. HRUSKA) would each vote "yea."

The result was announced—yeas 48, nays 38, as follows:

[No. 186 Leg.]

YEAS—48

Aiken	Fannin	McClure
Allen	Fong	McGee
Baker	Gravel	Mondale
Bartlett	Gurney	Montoya
Bellmon	Hansen	Nunn
Bentsen	Haskell	Pearson
Brock	Hathaway	Randolph
Burdick	Helms	Sparkman
Byrd, Robert C.	Hollings	Stevens
Cook	Huddleston	Symington
Cranston	Humphrey	Talmadge
Curtis	Inouye	Thurmond
Dole	Jackson	Tower
Eagleton	Johnston	Tunney
Eastland	Long	Weicker
Ervin	Magnuson	Young

NAYS—38

Abourezk	Clark	Pell
Bayh	Hartke	Percy
Beall	Hatfield	Proxmire
Bible	Javits	Ribicoff
Biden	Kennedy	Roth
Brooke	Mathias	Saxbe
Buckley	McGovern	Schweiker
Byrd, Harry F., Jr.	McIntyre	Scott, Pa.
	Metcalf	Scott, Va.
Cannon	Moss	Stafford
Case	Nelson	Stevenson
Chiles	Packwood	Taft
Church	Pastore	Williams

NOT VOTING—14

Bennett	Goldwater	Mansfield
Cotton	Griffin	McClellan
Domenici	Hart	Muskie
Dominick	Hruska	Stennis
Fulbright	Hughes	

So the motion to lay on the table the motion to reconsider the vote by which the Moss amendment was rejected was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Maryland (Mr. MATHIAS) is recognized.

AMENDMENT NO. 207

Mr. MATHIAS. Mr. President, I have an amendment at the desk, which I call up.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read the amendment (No. 207) as follows:

SEC. —. Notwithstanding any other provision of law or of this Act, all authority of the

Secretary of Agriculture to provide for a national acreage allotment, and the apportionment of such allotment, for wheat, food grains, or cotton shall expire at the end of the 1973 crop year.

Mr. MATHIAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MATHIAS. Mr. President, this bill has raised a number of questions, and I think it is significant that when we have men of the vast agricultural experience and the vast legislative experience as are represented on the Senate Committee on Agriculture and Forestry, we do not have the answer to this question. One of the questions which has not been answered, yet which has been asked repeatedly—it was asked a few minutes ago by the distinguished Senator from Indiana—is, How much is the target price really going to cost? What is going to be the effect of the target price program on feed deficit areas? How does this affect our ability to expand agricultural exports when we have objected specifically to other nations using this device?

Another range of questions which has not been answered yet is: How does this target price for feed grains affect our livestock industry? How is it going to affect the poultry industry? What is going to be the effect on consumers who want to buy food?

These are questions that have not even been addressed yet, and I hope the distinguished Senator from Georgia will, before consideration of this bill is over, and perhaps in discussing this amendment, offer to give us some answers to these questions, because we have not heard them.

This amendment addresses itself to something I think we can determine, because we are talking here about one of the facts of life in agriculture today, which will be perpetuated by S. 1888, and that is farm acreage allotments. Under the present system, which will be continued, the Secretary of Agriculture is authorized to allocate acreage State by State, county by county, farm by farm, on the basis of the previous crop. The effect of this is to make a farmer eligible to participate in the target price payment only if he is planted within the individual farm allotment which is allotted to his farm. This is brought into question on several grounds—on the ground of equity, on the ground of efficiency, on the ground of its effect on market demands, on the ground that it hurts competition and hurts the consumer.

Farmers who have historically been producing these crops would have the basis for a farm acreage allotment, but farmers who have not been producing a particular crop do not have a basis for a farm allotment, and therefore no new man can come into production in a given crop without considerable hardship.

The most important things that a historic basis or allotment does is to restrict a farmer's freedom to adjust to changing conditions in agriculture. If a market situation changes, so that a farmer wants to increase or decrease his production in a given commodity, or to move to a totally different commodity, he has to cope with the restrictions and inhibitions of the allotment—in other words, it crystalizes and freezes production patterns and makes it difficult for individuals and makes it difficult for the Nation to adjust to the changing times.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MATHIAS. I regret that I cannot yield because of the time limitation. If I have a minute at the conclusion of my remarks, I shall be glad to yield to the Senator.

Mr. YOUNG. I was going to ask: Would it not consider including tobacco, peanuts, and other commodities?

Mr. MATHIAS. Mr. President, allotments based on the cropping history of the 1950's still tend to "lock in" the same old production patterns that are not reflected in modern agricultural commodities. I think this bill would tie lucrative production price guarantees to these acreage allotments, and the day may come when farming will depend not on the ability of the farmer to raise his crops, not even on the ability of the farmer to buy his land, but on his ability to buy allotments.

The Senator from Georgia alluded to those when he said this is a valuable property right. This is what we are confirming in the bill—a valuable property right—and farming may get to the status of those who sell alcoholic beverages. They do not buy a store. They do not buy a business. They buy a liquor license.

We have it in the paramutual field. One no longer buys a racetrack because it cannot do him any good unless he can buy the racing days that go with it. That is the kind of amendment we have. One has to really understand its importance here. We are talking about a property right which we are conferring on those farmers who have a historic, basic claim.

The effect of this on consumers is that based on past history, it encourages farmers to continue to produce commodities irrespective of demand. And as a result, farm production moves backward instead of forward. And this is the great inequity of this system.

Mr. SAXBE. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. SAXBE. Mr. President, in this respect I have had experience with what happens. If a man wants to change from a dairy operation to a feed grain operation, he has to provide some legumes and pasture and hay. And if the farm sells, they are still on a certain acreage of corn.

I have been through the expense of trying to change one of these operations. One cannot say we changed from a dairy farm. It just cannot be done.

The second thing is that at the time these allotments were originally set up, they were based on family farms. The farms were small. We did not have the agri-business we have today. They were set up in small lots. They have just been bought, traded, and moved all over the map.

We get into the thing that certain allotments were meaningless. They were set up at the time when 75 bushels of corn to the acre was a fine yield. However, by narrowing the row we can increase the yield to 150 or 175 bushels of corn to an acre. And so the purpose of the acreage allotment is defeated.

Then we move into a trade area and apply bushels and tons to an acreage allotment and we get all mixed up. That builds in the inequity that goes back over 20 years. If one farms, he is put into some kind of program. He is going into an escrow account on this. When the farm sells, it is the only way he can go on record because of the restrictions. It is unreal and unnatural. I think its days are numbered, and I hope that it is numbered here today.

Mr. MATHIAS. Mr. President, I would like to take a minute to answer the distinguished Senator from North Dakota. I am glad that he brought up the question of tobacco.

That raises the whole question of why should we have a target ceiling for just these certain commodities and why we should have these commodities limited and why should we not bring in broilers or some other agricultural commodity.

I think that the question that the Senator has raised about other commodities points to one of the weaknesses in the bill.

Mr. President, I yield to the Senator from New York.

Mr. YOUNG. Mr. President, how about quotas under milk marketing orders?

Mr. MATHIAS. Mr. President, I yield 1 minute to the Senator from New York.

Mr. BUCKLEY. Mr. President, I point out that the Senator's amendment actually advances the stated purpose of this legislation.

Again, I say to the distinguished chairman of the committee that the purpose was to encourage the basic production of food and fiber. I suggest that to maintain an artificial limitation by allotment is to frustrate that precise purpose.

I compliment the distinguished Senator from Maryland for liberating and spreading these incentives across the board. He knows that I am opposed to the whole philosophy of target prices. If we are going to have them, let us at least have them work equitably and effectively.

Mr. MATHIAS. The Senator from New York correctly points out that this amendment does not affect the target price system but goes only to the allotment.

Mr. TALMADGE. Mr. President, I shall be very brief, and then I shall yield back the remainder of my time.

The amendment of the Senator from Maryland would absolutely gut the bill recommended by the Committee on Agriculture and Forestry.

Let me make it crystal clear. If Senators are for the bill, they should reject the amendment of the Senator from Maryland. If they are against the bill, they should vote for the amendment of the Senator from Maryland. Here is the reason why: Acreage allotments are the provisions used for the target price basis in the bill. If they are stricken out, all other provisions in the bill would be absolutely inoperative.

I hope the Senate will reject this amendment, and reject it overwhelmingly.

I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, those who are familiar with the bill and knowledgeable about farming operations know we have had substitute provisions whereby one may substitute wheat for corn. If he does not want to raise wheat, he can raise corn and get the whole payment.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. 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 Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Minnesota (Mr. MONDALE) 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 Michigan (Mr. HART) would vote "nay."

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 Utah (Mr. BENNETT), the Senator from Coloroado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Nebraska (Mr. HRUSKA) would each vote "nay."

The result was announced—yeas 17, nays 70, as follows:

[No. 187 Leg.]

YEAS—17

Beall	Mathias	Saxbe
Biden	Pastore	Schweiker
Brooke	Pell	Scott, Pa.
Buckley	Percy	Taft
Case	Ribicoff	Weicker
Javits	Roth	

NAYS—70

Abourezk	Ervin	McGovern
Aiken	Fannin	McIntyre
Allen	Fong	Metcalf
Baker	Goldwater	Montoya
Bartlett	Gravel	Moss
Bayh	Gurney	Nelson
Bellmon	Hansen	Nunn
Bentsen	Hartke	Packwood
Bible	Haskell	Pearson
Brock	Hatfield	Proxmire
Burdick	Hathaway	Randolph
Byrd, Harry F., Jr.	Helms	Scott, Va.
Byrd, Robert C.	Hollings	Sparkman
Cannon	Huddleston	Stafford
Chiles	Humphrey	Stevens
Church	Inouye	Stevenson
Clark	Jackson	Symington
Cook	Johnston	Talmadge
Cranston	Kennedy	Thurmond
Curtis	Long	Tower
Dole	Magnuson	Tunney
Eagleton	Mansfield	Williams
Eastland	McClure	Young
	McGee	

NOT VOTING—13

Bennett	Griffin	Mondale
Cotton	Hart	Muskie
Domenici	Hruska	Stennis
Dominick	Hughes	
Fulbright	McClellan	

So Mr. MATHIAS' amendment was rejected.

AMENDMENT NO. 190

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois (Mr. PERCY) is recognized.

Mr. PERCY. Mr. President, I call up my amendment No. 190 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 9, line 19, strike out "; and" and insert in lieu thereof ".".

On page 9, beginning on line 20, strike out all through page 10, line 18.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the acting majority leader.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take seats.

Mr. ROBERT C. BYRD. Mr. President, we are confronted with the following situation:

We have 32 minutes remaining until, under the agreement, the time will arrive for the vote on final passage. There are five Senators who have amendments remaining.

In order that each of those five Senators may have at least two or three minutes to plead his case, I ask unanimous consent that time on any remaining amendment to the bill or on any amendment to an amendment, and time on any debatable motion, or appeal be limited to 5 minutes, with three minutes to the proponent and 2 minutes to the manager of the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I also express the hope, Mr. President, that although Senators, if they so desire, are entitled to yea and nay votes on their amendments, we can voice votes where possible on amendments from here on out.

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator from Illinois has the floor.

Mr. PERCY. Mr. President, I ask unanimous consent that the names of the Senator from Michigan (Mr. HART), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New York (Mr. BUCKLEY) and the Senator from Ohio (Mr. SAXBE) be added as cosponsors of this amendment.

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

Mr. PERCY. Mr. President, this amendment, which is supported by the Department of Agriculture, deletes the section of the committee bill which expands the dairy product indemnification program to cover milk contamination caused by chemicals "where such chemicals were not used contrary to applicable regulations or label instructions provided at the time of use." It also deletes the language providing for payment for the contaminated cow instead of the contaminated milk.

As my colleagues know, since 1965, the Department of Agriculture has made indemnity payments to dairy farmers for milk removed from the commercial market because of contamination caused by chemicals and pesticides which were registered and approved for use by the Federal Government at the time they were used. In 1970 this provision was expanded to include indemnification of manufacturers of dairy products. While I have questioned the advisability of specifically indemnifying one food production industry apart from the others, there is merit in the proposition that where one has relied on the Federal Government's specific registration and approval of a chemical, the Federal Government has a liability to indemnify against harm resulting from its use by the producer or others.

The pending legislation, however, expands the Government's liability significantly. Under the committee proposal, the Federal Government would have to indemnify farmers and milk product manufacturers where milk contamination was due to the use of any chemical used according to "applicable regulations or label instructions."

Mr. President, this section would put the Federal Government in the position of guaranteeing against the harmful effects of chemicals which it does not even have the present authority to control.

In addition, I am very concerned that such a guarantee will lead to laxity in the use of chemicals at the very time we are waging a battle to halt their indiscriminate use. It should be noted that the provision covers not only against use of chemicals by the dairy farmer but against milk contamination caused by the use of chemicals by others, such as neighboring farmers.

The Council on Environmental Quality and environmental organizations such as Friends of the Earth, the Sierra Club, and the Audubon Society have all expressed their concern about this aspect of the committee bill and have called for its deletion.

Finally, the breadth and scope of the Government's potential liability under this section is not contained in the committee report. To my knowledge, there was no detailed discussion of the provision during committee hearings and no opportunity was presented for testimony by those opposing it or disagreeing with the committee's conclusions, even by the Department of Agriculture. We are put in the position of considering legislation which will subject the Federal Government to undetermined and unestimated financial liability.

Mr. President, I believe that this section, its potentially harmful side-effects, its cost and its potential precedent for similar blanket indemnification in other industries must be subjected to a full discussion and consideration by all experts in the area. I urge adoption of my amendment.

Mr. President, I ask unanimous con-

sent to have printed in the RECORD a statement concerning this amendment which I am offering to S. 1888.

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

The Department of Agriculture supports this amendment.

Amendment No. 190 would strike the section of the Committee bill changing the dairy indemnity provisions (line 20 page 9 through line 18 page 10).

The existing program indemnifies dairy farmers and dairy processors against milk contamination caused by chemicals which were registered and approved by the Federal government. Amendment No. 190 deletes the Committee expansion of the program, which would include indemnification for contamination caused by chemicals whose use has *not specifically been disapproved*. It also deletes the section allowing the Department of Agriculture to pay for the slaughter of the cow, rather than for the contaminated milk. The reasons for the amendment include:

No estimate of the potential cost or impact of this provision.

No opportunity was given for opposing views during Committee hearings.

Such a provision will set precedent for blanket indemnification of other producers and processors.

The provision will encourage indiscriminate use of chemicals.

USDA estimates that payment for the cow rather than for the contaminated milk will be considerably more expensive.

In some cases, the federal government would be indemnifying the use of substances which it has no authority to control.

The Department of Agriculture supports this amendment.

Mr. PERCY. Mr. President, I understand that the distinguished Senator from Wisconsin (Mr. NELSON) has an amendment to my amendment which he wishes to offer, and I would be happy to recognize him at this time.

Mr. NELSON. Mr. President, I have a substitute amendment for Senator Percy's amendment No. 190 which I send to the desk and ask unanimous consent that reading thereof be dispensed with and I will explain it.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with, and it will be printed in the RECORD at this point.

The text of the amendment is as follows:

Strike out all after "viz:" and insert in lieu thereof the following:

On page 10, at the end of line 4, add the following: "make indemnity payments for dairy products at fair market value to".

On page 10, line 6, strike out all after "1970" down through "enactment" in line 9.

On page 10, beginning with the comma after the word "use" in line 12, strike out all down through the word "use" in line 16.

The PRESIDING OFFICER. If the Senator will suspend, all of the time on the prinicpal amendment must expire before a modification to the amendment would be in order.

Mr. TALMADGE. Mr. President, will the distinguished Senator from Illinois accept the modification to his amendment as proposed by the Senator from Wisconsin?

Mr. PERCY. Mr. President, my objection to the section of the bill which the Senator from Wisconsin wishes to retain is that its full effect is unclear.

The committee report states that paying for the contaminated cow would be less expensive than paying for the contaminated milk. The Department of Agriculture, on the other hand, has informed me that in most cases the opposite is true because the period of milk contamination abates within a few months and the cow can once again produce saleable milk.

Could the Senator from Wisconsin and the distinguished chairman of the committee clarify whether the intent of this provision is that the Secretary of Agriculture would have full discretion in each case in deciding whether to pay for the cow or the milk so as to avoid economic waste and the needless slaughter of dairy cows?

Mr. TALMADGE. This gives authority to the Secretary to make his own decision.

If the Senator for Illinois is prepared to accept the modification of the Senator from Wisconsin, I am prepared to accept it as I know the distinguished ranking minority member is.

Mr. PERCY. I am happy to accept the modification to my amendment.

The PRESIDING OFFICER. Does the Senator from Illinois modify his amendment accordingly?

Mr. PERCY. Yes, Mr. President.

The PRESIDING OFFICER. The amendment is so modified.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. PERCY. Mr. President, I yield back the remainder of my time.

Mr. NELSON. Mr. President, I would be happy to have all time yielded back, if I had the opportunity for a short explanation of my modification.

I ask unamious consent for 1 minute to explain my modification.

Mr. CURTIS. Mr. President, I yield the Senator 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 minute.

Mr. NELSON. The point the amendment of the Senator from Illinois proposes to make, is to strike out all of the committee language beginning on line 20 on page 9, through line 18 on page 10, in order to eliminate the expansion of the program to cover contamination of milk or dairy products by any chemical, not just pesticides registered and approved by the Federal Government as is the scope of the present program.

My modification would accomplish the same purpose using the language of the Agriculture and Forestry Committee. This modification would continue the dairy indemnity program for 5 years, would allow the Secretary of Agriculture the economic discretion to indemnify the dairy farmer for either the contaminated milk or the cow, would make it clear that manufacturers of dairy products may recover the fair market value of contaminated dairy products removed from the commercial market, and would keep the scope of the undemnity program limited to milk or dairy products contaminated by residues of chemicals registered and approved by the Federal Government, that is, pesticides.

This modification would change the authorizing language of the committee bill beginning on line 23 of page 9 to read as follows:

SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

I wish to say that I do not oppose the dairy indemnity section presently in the bill on its substantive merits. It may be just as meritorious as the provisions in the present law covering contamination by pesticides. However, there should definitely be some hearings on this specific language to see precisely what the dimensions or the exact scope of the amendment will be. We should know specifically the kinds of contamination that would be covered and what the costs will be if this expanded authority becomes law. My inclination would be to support this addition, but I do think there should be full public hearings first.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois as modified.

The amendment was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska (Mr. STEVENS) is now recognized.

Mr. STEVENS. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The text of the amendment is as follows:

On page 38, between lines 10 and 11 insert the following:

"(d) by adding at the end thereof a new section as follows:

"Authority of certain eligible households in Alaska to use coupons for the purchase of hunting and fishing equipment except firearms, ammunition, and other explosives.

"SEC. 17. Notwithstanding any other provision of this Act, members of eligible households living in the State of Alaska shall be permitted, in accordance with such rules and regulations as the Secretary may prescribe, to purchase hunting and fishing equipment

except firearms, ammunition, and other explosives, with coupons issued under this Act if the Secretary determines that (1) such households are located in an area of the State which makes it extremely difficult for members of such households to reach retail food stores, and (2) such households depend to a substantial extent on hunting and fishing for subsistence purposes.

Mr. STEVENS. Mr. President, my amendment adds a new section 17 to the Food Stamp Act of 1964 as amended. This section will permit certain eligible households in Alaska to use food stamp coupons to purchase hunting and fishing equipment except firearms, ammunition, and other explosives. To be eligible, a household must fulfill two conditions: First, it must be located in an area of Alaska which makes it extremely difficult to reach a retail food store, and second, the members of the household must depend to a substantial extent on hunting and fishing for subsistence purposes. The food stamps must be used for the purchase of hunting and fishing equipment for subsistence hunting and fishing. The Secretary of Agriculture is authorized to prescribe rules and regulations regulating such purchases.

Hunting and fishing equipment under my amendment would include, but not be limited to: Gasoline for outboard motors and snowmobiles used for subsistence hunting and fishing, fishing lines and gear and tackle for subsistence fishing, foul weather winter clothing for hunters to be used for subsistence hunting, tents for subsistence hunting and fishing, and similar expenses for subsistence hunting and fishing.

This legislation was introduced first in the 91st Congress in response to a request from the mayor of Hooper Bay, Alaska. He was concerned because the people of Hooper Bay and other outlying areas of Alaska do not use store bought food to any great extent. They are subsistence hunters and fishermen. Many of these people have very little cash. Food stamps form an important means of purchasing necessary commodities.

In the Alaska bush, the cost of living can be from 50 to 100 percent higher than in Anchorage. Anchorage itself has a cost of living 25 to 50 percent higher than in Washington, D.C. These people must pay 30 cents for a small can of milk; 50 cents for a box of salt, $11 for 50 pounds of flour from the village store. The cost of gasoline ranges from 70 cents per gallon in Nome and Shaktoolik to 85 cents in Savoonga to $1.30 in Noatak.

Residents of coastal and rural Alaska have a physiological, psychological, and cultural dependence on local animals for subsistence. Coastal Alaskans utilize ocean mammals, particularly walruses and seals. These Alaskan Natives waste nothing. The harsh environment, subsistence economy, and cultural backgrounds require the utilization of every scrap of the animals.

I am very pleased that the distinguished chairman and ranking minority member of the Senate Agriculture Committee—Mr. TALMADGE and Mr. CURTIS respectively—have agreed to accept my amendment.

Since the bill was originally introduced, I have changed it specifically to exclude firearms, ammunitions, and other explosives. Food stamps could not be used for the purchase of such items.

I ask unanimous consent that my letter to the distinguished Senator from Nebraska (Mr. CURTIS) on the amendment that I submitted to the committee and my introductory statement to amendment 1048 in the 92d Congress which describes the problems of subsistence hunters in Alaska, be printed in the RECORD.

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

APRIL 30, 1973.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR CARL: I understand the Senate Agriculture Committee will consider the Omnibus Farm Bill, S. 517, Tuesday, May 1, in executive markup session. I would be most grateful if you would offer my enclosed amendment to the Food Stamp Act of 1964 at that session.

I introduced this bill as S. 218 on January 4. A copy of my introductory statement is enclosed. S. 218 was substantially identical to S. 676 in the 92nd Congress, and to S. 2881 in the 91st Congress. I am also enclosing a letter I received from Chairman Poage on S. 2881 and a copy of the recently received report from the Department of Agriculture on S. 218.

Agriculture opposed the bill because (1) food stamps should not be used for "non-food items such as ammunition" and (2) lowered eligibility standards will make food stamps even more available to needy families. Chairman Poage suggested the legislation should be confined to Alaska and to Eskimos. I would like to comment separately on each of these four points.

First, commenting on Agriculture's two points—(1) the exclusion of non-food items such as ammunition and (2) the increased eligibility for food stamps. Residents of coastal and rural Alaska have a physiological, psychological and cultural dependence on local animals for subsistence. Coastal Alaskans utilize oceans mammals, particularly walruses and seals. These Alaska Natives waste nothing. The harsh environment, subsistence economy, and cultural background require the utilization of every scrap of mammal hide, meat, bone, and sinew. They eat the meat, burn the oil, wear the skin, make tools from the bones, and manufacture and sell ivory carvings, handicrafts and Native clothing for a meager cash economy (their only source of income). Interior Natives trap and hunt small animals for subsistence and also manufacture and sell clothing from the pelts. Please see my March 15, 1972 Congressional Record statement which is enclosed.

Alaskan Natives cannot buy these meats. The stores are small and stock only a few items. They do not sell wild game meat. Beef, pork and chicken are almost *never* available and, when they are, are prohibitively expensive. The only way they can get meat is to shoot it themselves. If our purpose is to give poor Alaskans food with food stamps, the best way we can do this is to permit them to buy ammunition with food stamps so they can hunt for subsistence.

Canned food is prohibitively expensive in the Alaska bush and in Northwest Alaska. The cost-of-living can be 100% higher than in Anchorage, which is itself nearly half again as high as Washington, D.C. Costs are increased because of high air freight fares. Ammunition, of course, can now be shipped through the mail and will be less expensive to transport. Most importantly, the Native way of life requires the use of local animals for subsistence. The freshest meats are local game. Moreover, ammunition is itself expensive and these people have very little cash.

You will recall that during the consideration of the Marine Mammal Protection Act last year, we made a special exception for Alaska Natives. The Senate Commerce Committee held three days of hearings on just this point—the needs of Alaska Natives for the taking of ocean mammals. I am enclosing a copy of this hearing record for your information.

Second, as Congressman Poage suggested, the bill is limited to Alaskans.

Third, Alaska "Natives" include Eskimos (coastal dwellers), Aleuts (residents of the Aleutians), and Indians (Interior dwellers and dwellers of Southeast Alaska on the coast and inland). I have not limited the language only to Natives but to all those who "subsist" and create "Native arts and crafts and clothing." A few non-Natives have adopted the Native way of life and have become integral members of the Native communities. (See testimony of Williams Uhl, page 954 of Alaska hearings). These individuals are accepted members of the Native communities although they are not by birth Natives. (Mr. Uhl has been living in the Native community with his Eskimo wife for the last 24 years). For this reason and to eliminate any constitutional arguments, I have not limited the amendment solely to Alaska Natives, but have included all those who participate in the Native way of life in Alaska.

For these reasons and particularly because marine mammal and other local game meats are usually *unobtainable* in local stores, I am submitting this amendment to you. It will alleviate much hardship in rural Alaska. The people of my state would be most grateful if the Senate Agriculture Committee will incorporate it in the Omnibus Farm Bill.

If you have any questions or would like any assistance or more information, please contact me or Max Gruenberg, my Legislative Assistant, at extension 5-3004.

Thank you very much.

With best wishes,

Cordially,

TED STEVENS,
U.S. Senator.

[From the CONGRESSIONAL RECORD, Mar. 15, 1972]

MARINE MAMMAL PROTECTION ACT—AMENDMENT

AMENDMENT NO. 1048

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

Mr. STEVENS. Mr. President, the Senate Subcommittee on Oceans and Atmosphere is presently holding hearings on ocean mammal legislation.

Many bills are being considered by the subcommittee as they attempt to find various solutions to the problem. Several of the bills, however, such as those introduced by the distinguished Senator from Oklahoma (Mr. HARRIS), take the approach that an outright ban on all ocean mammal harvesting is absolutely necessary.

This approach has caused me considerable concern. These bills will protect the ocean mammals, but in doing so will exterminate the culture and economy of the Alaskan Eskimos.

Many Alaska Natives, particularly Eskimos along the coast, depend upon ocean mammals for their existence. What little cash they are able to obtain in order to have even a marginal existence they are able to earn only through the sale of native crafts, clothing, and art works. These activities are vital for the social and economic welfare of the Alaska Native people.

Mr. President, the way of life of the Alaskan Native is threatened by the proposed legislation. If Congress enacts provisions out-

lawing all but subsistence hunting by Alaskan Natives, not only will this proud group of Americans have their economic livelihood stripped from them, but they will face the certain fate of cultural extinction.

The Alaska Native people of the coastal regions are the Eskimos. These people have achieved a unique pact with nature. They alone, of all mankind, have been able to survive in the harshest possible climatic conditions. Snow and ice cover the ground much of the year. Thus, travel across the ice is a necessity. Wood is scarce. Boats must be light and built with the materials at hand.

Even with such limitations, the Eskimos have been able to invent the kayak and the umiak. These unique vessels utilize skin and bone rather than bark and wood. The single-seat kayak and the multi-seat umiak are sturdy enough to travel hundreds of miles across open water. Kayaks will right themselves if overturned in storms, while keeping the lower half of the occupant completely dry in the meantime. Single Eskimo hunters, riding kayaks and armed only with harpoons have, for centuries, successfully harvested whales, the mightest creatures on earth.

This is but a single example of the high level of culture reached by the Eskimos in the cruelest environment on the face of the earth. Anthropologists and scholars agree that there is much in the Eskimo culture that will greatly benefit white civilization. For example, the clothing worn by Eskimos out-of-doors and fashioned from ocean mammals is both cold-resistant and waterproof. It effectively seals the wearer from the elements, yet permits him freedom of movement. It is far superior to anything the white man has invented. Our copies are but poor imitations.

It is a well-known fact that the major market for such genuine Eskimo clothing—parkas, pants, and mukluks—native fur boots—is not the tourist, nor the exporter, but other Alaskans. We, white people, in Alaska appreciate these Eskimo improvements and depend upon them, especially in the far northern part of the State. We know that when we must travel to his part of the State, we cannot improve upon the artifacts it has taken the Eskimo centuries to perfect.

To deny the Eskimo the right to manufacture and sell these items will not only create a hardship upon him, but also upon the white people who must live and work in an equally cruel and hostile environment.

Because the land in the far north is frozen much of the year, agriculture is very limited. For this reason, the coastal Natives are very dependent upon sea mammals for much of their food. In fact, many of those Eskimos who now live in the cities have retained their taste for many of these foods. Thus, there is a small but thriving business of canning and preserving sea mammal meat for transshipment to natives throughout Alaska and the "lower 48."

But most Eskimos have not moved to the cities. They still live on the North Pacific and Arctic coastlines. They continue to live basically the same way they have lived for centuries. They have maintained a cherished tradition, a link with the past—a way of life, proud and unbent in the face of modern civilization.

Mr. President, the Alaskan Eskimos for many years prior to the coming of the airplane remained largely isolated from civilization as we know it. Only in the 20th century, particularly in the last several decades, have these people come into contact with modern civilization. To many of them English is still a second language.

But they are rapidly moving into the 20th century. Snowmobiles have largely replaced dog sleds. Air travel is used for long trips. Short-wave radios are now the primary communication link between villages. Canned goods, manufactured household items, and clothing are readily available. Education is available, as is better health care. Even housing is improving.

But to take advantage of all these modern conveniences, the Alaska Native needs cash. If he is to have the choice to live where his people have dwelt for centuries, he must be permitted to make a living there. He must have the right not only to hunt for his native food, but to buy a balanced diet including milk and vegetables; clothing; medicine; and building materials for his house. It is, of course, true that eventually the benefits from the Alaska Native Claims Settlement Act (Public Law 92-203) will yield to each Native a certain amount of cash plus some land. However, the land and cash will not be enough to compensate him for the loss of his occupation; nor are they intended to do so. Neither will they give most Natives jobs; nor return to them their lost sense of dignity. Most importantly, any direct payments to individuals will be over 2 years in coming, due to the time it will take to complete the enrollment procedures.

The only industry that the Alaska Native can count on to support himself and his family is one based upon full utilization of the ocean mammals—the same animals which have been the basis of existence for his people for centuries. This is an industry of Native manufacture, handicrafts and carving—wonderfully intricate hand-carved bones and tusks, decorated parkas and boots, completely waterproof and ideally suited for the rugged outdoor life lived in that far part of the world.

Mr. President, if the Native people of my State are denied the right to carve, sew, and utilize fully the entire animal carcass, the result will be truly disastrous. Even marginal cash flow will cease. Their only means of earning a living will be foreclosed to them. They will be forced to remain idle, go on welfare, or relocate. Their priceless cultural heritage will become extinct.

Therefore, even today, the dependence of the Alaska native people upon ocean mammals is a real and continuing one. They are indeed learning the ways of the rest of the world quickly and coming into their own. But during this period of adjustment, it is doubly important that they be able to continue as they wish and make their own determination of the kind of life they wish to lead.

Mr. President, the Alaskan Eskimo asks for himself no more than any other group in this country. He asks only the right to determine for himself his own destiny.

For this reason, I urge the Senate to reach a reasonable solution to the problem and to take into account not only the biological aspect, but also the sociological and anthropological effects of this legislation. We must not destroy a civilization in the process.

Mr. President, for this reason, I am today introducing an amendment to S. 3161. The purpose of this amendment is to preserve the priceless cultural heritage of the native Alaskans by permitting them to continue to produce handmade native arts and crafts as well as clothing manufactured from sea mammals. I intend that the effect of this amendment will be to permit the total utilization of the mammals and the wise management of these wonderful and irreplaceable ocean creatures.

I request that my amendment be printed in its entirety in the CONGRESSIONAL RECORD at this point.

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

AMENDMENT NO. 1048

On page 23, line 2, strike out the period and add the following: ", *Provided*, That such taking may be for handmade native arts and crafts and clothing."

Mr. STEVENS. Mr. President, I ask unanimous consent to add my colleague from Alaska as a cosponsor of the amendment.

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

Mr. TALMADGE. Mr. President, will the Senator from Alaska yield?

Mr. STEVENS. I yield.

Mr. TALMADGE. This is the amendment, as I understand it, which would permit native Alaskans, who live in extremely remote areas where no food stores are available, to utilize food stamps to purchase equipment in order to hunt game for their livelihood. Is that not the substance of the Senator's amendment?

Mr. STEVENS. That is right. The substance goes to hunting, the substance goes to fishing, not to limit those who live in rural areas.

Mr. TALMADGE. I have discussed this amendment with the distinguished ranking minority member and we have no objection to it. If the Senator from Nebraska is agreeable to a voice vote, I yield back the remainder of my time.

Mr. CURTIS. I support the amendment.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

The PRESIDING OFFICER. Under the previous order, the distinguished Senator from Iowa (Mr. CLARK) is now recognized.

AMENDMENT NO. 204

Mr. CLARK. Mr. President, I call up my amendment No. 204 and ask it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

AMENDMENT No. 204

On page 23, between lines 14 and 15, insert the following:

"(B) substituting '$1.24' for '$1.00' in section 105(a)(1) of the Agricultural Act of 1949, and by adding at the end of such section 105(a)(1) a new sentence as follows: 'Loans made to producers under this section shall be extended at the producers' request for one full year after the original maturity date.'."

On page 23, line 15, strike out "(B)" and insert "(C)".

On page 27, line 9, strike out "(C)" and insert "(D)".

On page 27, line 15, strike out "(D)" and insert "(E)".

On page 27, line 20, strike out "(E)" and insert "(F)".

On page 13, between lines 9 and 10, insert the following:

"(A) substituting '$1.55' for '$1.25' in section 107(a), and by adding at the end of such section 107(a) a new sentence as follows: 'Loans made to producers under this section shall be extended at the producers' request for one full year after the original maturity date.'."

On page 13, line 10, strike out "(A)" and insert "(B)".

On page 13, line 12, strike out "(B)" and insert "(C)".

On page 13, line 14, strike out "(C)" and insert "(D)".

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

the Senator from Iowa (Mr. HUGHES) and the Senator from South Dakota (Mr. ABOUREZK) be added as cosponsors of this amendment.

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

Mr. CLARK. Mr. President, I was deeply disappointed when the members of the Committee on Agriculture and Forestry failed to support my motion to raise the minimum loan rate on corn from its currently unrealistically low level of $1.00 to a more reasonable level of $1.24 a bushel.

Failing to win support for this modest and entirely justified increase in the committee, I looked into the history of the Government loan program.

I find it was 40 years ago, in October 1933, that a Governors' conference representing 10 Corn Belt States met in Des Moines, Iowa, and demanded that the then Secretary of Agriculture, Henry A. Wallace "peg farm prices at parity levels."

In response to this type of pressure, a Commodity Credit Corporation was organized on October 17, 1933, and on October 25, Secretary Wallace issued a press release announcing the first Government loan program for corn. He announced that the Government would loan 45 cents a bushel on corn produced by cooperators in the 1933 corn-hog program regardless of their geographic location.

That first program was a great success; 271 million bushels of corn were stored under loan on 200,000 farms. Average prices during the marketing year moved 30 cents a bushel above the loan level and the loans were repaid with substantial benefits to the borrowers.

The corn loan rate was raised to 55 cents a bushel for the 1934 crop but widespread drought pushed market prices well above the loan level.

The Government loan has been an important part of every feed grain program since that time.

Although large Commodity Credit Corporation stocks were accumulated in the late 1950's the difficulty was as much unwillingness of a Republican administration to administer effective adjustment programs as the result of an unrealistically high Government loan rate. Loans were made to cooperators in the adjustment program in 1956 at $1.50 a bushel for corn. But they also were made at $1.25 a bushel to noncooperators by the then Secretary of Agriculture Ezra Taft Benson.

Secretary Benson continued to make Government price support loans on corn to noncooperators at $1.10 and $1.06 a bushel in 1957 and 1958 respectively. It is little wonder that CCC stocks became excessive.

Mr. President, at no time since World War II have Government corn loan rates been less than $1.05 a bushel except for the one year, 1966, when the loan rate was reduced to $1. Everyone recognizes that the Government loan rate acts as a floor under market prices. If it is unrealistically high it limits our ability to export, increases the use of substitutes at home and abroad and encourages other countries to expand grain production.

If it is unrealistically low it fails to provide the desired stability and support to market prices. Producers hard pressed for cash to pay their production expenses are forced to sell their crops at ridiculously low prices.

The issue as I see it is whether or not $1 a bushel for corn and $1.25 a bushel for wheat are reasonable floor prices at this time, to write into 5 year price support legislation.

Does a minimum floor price of $1 a bushel for corn and $1.25 a bushel for wheat at this time give producers assurance their Government is concerned that they will not be victimized by excessively low prices if the export market should turn soft for a short time?

This year and in all probability in several of the next 5 years, producers need the assurance that prices will not drop to bargain basement levels at harvest time. They need this assurance as encouragement to produce as large crops as feasible. If consumers and exporters want stable food supplies in the years ahead, they should assure producers of reasonably stable prices.

Continued assurance of minimum price support loans at $1 a bushel for corn and $1.25 a bushel for wheat for the next 5 years is little if any better than no minimum at all.

I ask you, in view of President Nixon and Secretary Butz' actions since November in terminating, and in impounding funds appropriated for rural programs, do grain producers have any assurance of stable prices if we do not include realistic minimum price support loans in this legislation?

Mr. President, prices paid by farmers for production items, interest, taxes and wage rates are now 50 percent higher than in 1965 when current minimum price support loan rates for corn and wheat were first established.

We have devalued the dollar twice in the last 18 months. The Japanese yen and German mark also have allowed to appreciate. In view of these changes in international monetary rates U.S. grains sold for export at $1.85 or $2 a bushel cost the Japanese consumer no more than grains formerly sold to them at $1.50 a bushel.

The distinguished chairman of the Committee on Agriculture and Forestry is concerned that higher minimum loan rates on grains might price them out of foreign markets, as too high loan rates on cotton priced cotton out of foreign markets in the late 1950's and early 1960's. I share his concern that the minimum loan rates must not prevent our grains from being competitively priced in world markets.

But I would assure the distinguished chairman that the minimum levels I propose, $1.24 a bushel for corn and $1.55 a bushel for wheat are no higher in relation to world price levels today than $1.05 and $1.25 a bushel were before the currency revaluations.

Mr. President, the modestly higher minimum loan levels I propose, bear about the same relation to our export markets as the lower minimums previous to the currency revaluations, and are substantially lower in relation to production costs than the minimum loan levels of $1 and $1.25 a bushel in the period 1965–68.

If we are to have reasonably effective wheat and feed grains price and supply stabilization programs, producers must have more realistic minimum support levels than those established back in 1965 when production costs were less than two-thirds current levels.

I challenge any Member of this body to cite one point upon which farmers agree more. Virtually every farmer and every farm group that came before our committee said our No. 1 priority is an increase in the loan rate for corn and wheat. I have a healthy respect for their opinion and I urge this body to approve their request, to approve my amendment.

So I ask Members of the Senate to support that modest increase, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, for many years, our farm program had a very high loan rate, and the loan became the price at which the commodity was sold to the U.S. Government. We had a disastrous program because of it.

At one time, the U.S. Government produced 60 percent of the world's cotton. What happened? We had a high loan rate. Farmers produced more and more cotton for the loan. What happened? We held a price umbrella over the rest of the world. The rest of the world produced more and more cotton. Our acreage had to be reduced to less and less. Now the United States produces 20 percent of the world's cotton—60 percent a few short years ago—by holding a high price umbrella with a high loan level over the rest of the world. It was a catastrophic mistake.

A number of years ago, we changed the method from this high loan level, making the Government of the United States the ultimate purchaser of all farm commodities. In those years, our warehouses were bursting at the seams with corn—17.5 million bushels of corn in 1965, millions and millions of bushels of wheat and corn.

Since that time, what has been the philosophy? It has been to reduce the loan level and make up the difference in payments to the farmer.

We are not talking about what the farmer is going to receive. If this bill becomes law, the farmer is going to receive $1.53 a bushel for his corn. But what does the Senator want to do? He wants to raise the loan level from $1 to $1.25, so that the farmer will be getting payments at $1.53 for producing corn and raising the level of the loan on corn to make it attractive enough that our friends in Canada and Australia and Argentina and New Zealand and Europe will produce more grain so that we can produce less, just as we did with cotton.

The Committee on Agriculture and Forestry went into this matter very carefully; we considered the Senator's amendment. He is a valuable, hard-working member of our committee and has made great contribution thereto. But we reject the amendment. We thought that grain should go into the marketplace,

not into Government warehouses, and that a man ought to get a fair price for his corn—to wit, $1.53. If he does not get it at the marketplace, he will get it with a Government check.

I urge the Senate to reject the Senator's amendment. Let us keep corn farming in this country and not export it overseas.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Iowa. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), and the Senator from Arkansas (Mr. MCCLELLAN) 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 Iowa (Mr. HUGHES) would vote "yea."

I further announce that, if present and voting, the Senator from Michigan (Mr. HART) would vote "nay."

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 Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Nebraska (Mr. HRUSKA) would each vote "nay".

The result was announced—yeas 19, nays 69, as follows:

[No. 188 Leg.]

YEAS—19

Abourezk	Hartke	Mondale
Bayh	Humphrey	Nelson
Burdick	Jackson	Stevenson
Byrd, Robert C.	Magnuson	Symington
Chiles	Mansfield	Young
Clark	McGovern	
Eagleton	Metcalf	

NAYS—69

Aiken	Fong	Pastore
Allen	Goldwater	Pearson
Baker	Gravel	Pell
Bartlett	Gurney	Percy
Beall	Hansen	Proxmire
Bellmon	Haskell	Randolph
Bentsen	Hatfield	Ribicoff
Bible	Hathaway	Roth
Biden	Helms	Saxbe
Brock	Hollings	Schweiker
Brooke	Huddleston	Scott, Pa.
Buckley	Inouye	Scott, Va.
Byrd, Harry F., Jr.	Javits	Sparkman
	Johnston	Stafford
Cannon	Kennedy	Stevens
Case	Long	Taft
Church	Mathias	Talmadge
Cook	McClure	Thurmond
Cranston	McGee	Tower
Curtis	McIntyre	Tunney
Dole	Montoya	Weicker
Eastland	Moss	Williams
Ervin	Nunn	
Fannin	Packwood	

NOT VOTING—12

Bennett	Fulbright	Hughes
Cotton	Griffin	McClellan
Domenici	Hart	Muskie
Dominick	Hruska	Stennis

So Mr. CLARK's amendment was rejected.

The PRESIDING OFFICER. Under the previous agreement the Senator from Utah (Mr. Moss) is recognized.

AMENDMENT NO. 200

Mr. MOSS. Mr. President, I wish to say at the beginning, in order to put my colleagues at ease, that I intend to be very brief. I am not going to ask for a rollcall vote. I assume we will be able to vote right on time.

Mr. President, I call up my amendment No. 200.

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 may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 51, between line 15 and line 16, insert the following:

(29)(A) Section 106 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new clause as follows: "(d)(1) The level at which price support may be made available for the 1974, 1975, and 1976 crops of tobacco shall be subject to the following limitations:

"(A) The 1974 crop of any kind of tobacco may not be supported at any level greater than 75 per centum of the level at which the 1970 crop of such tobacco was supported.

"(B) The 1975 crop of any kind of tobacco may not be supported at any level greater than 50 per centum of the level at which the 1970 crops of such tobacco was supported.

"(C) The 1976 crop of any kind of tobacco may not be supported at any level greater than 25 per centum of the level at which the 1970 crop of such tobacco was supported.

"(2) Price support shall not be made available for the 1977 and subsequent crops of tobacco."

(B) Notwithstanding any other provisions of law, marketing quotas, marketing penalties, acreage-poundage quotas, and acreage allotments for tobacco shall be ineffective with respect to the 1977 and subsequent crops of tobacco.

(30)(A) Section 4 of the Tobacco Inspection Act (7 U.S.C. 511c) is amended by striking out the following: ": *Provided*, That in no event shall charges be in excess of the cost of said samples, illustrations, and service so rendered".

(B) Section 5 of such Act (7 U.S.C. 511d) is amended by striking out the seventh sentence thereof.

(C) The last paragraph of section 6 of such Act (7 U.S.C. 511e) is amended by striking out the period at the end of such paragraph and inserting in lieu thereof a semicolon and the following: "but of the cost of providing services under this section shall be borne by the persons requesting such services."

(31) Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new section as follows:

"SEC. 111. Notwithstanding any other provision of law (1) no subsidy or other incentive payment shall be made, directly or indirectly, under the provisions of this Act to any person for the export or sale of tobacco or any tobacco product, and (2) no funds may be expended for the purpose of advertising or otherwise promoting the sale of tobacco in any foreign country."

(32) Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended by striking out the period at the end of such section and inserting in lieu thereof a comma and the following: "except that nothing herein shall be construed to authorize the payment of any subsidy for the export of tobacco from the United States."

Mr. MOSS. Mr. President, as the Senate knows, for a number of years I have been trying to get hearings in the Committee on Agriculture and Forestry to have something done with respect to the growing and raising of tobacco. I have tried to withhold Government money in appropriation bills.

The point I wish to make is that the Department of Health supplies hundreds of thousands of dollars every year to alert people to the hazards of smoking cigarettes. We have spent much money to make known the nicotine content of tobacco. At the same time in the agricultural branch we spend millions of dollars stimulating production and advertising and paying for the grading of tobacco.

This is an amendment to eliminate from our farm program the schizophrenic posture of Government support for a crop which is hazardous to health. Amendment No. 200 would phase out the tobacco subsidy program beginning with crops of tobacco to be harvested in 1974. The amendment would also terminate direct and indirect Federal subsidies for export of tobacco to foreign countries.

I have introduced amendments similar to this amendment in each of the past three Congresses. Additionally, I have attempted to amend the agriculture appropriations bill to eliminate the crop subsidies. While these have not been successful, an enlightening dialog has insured.

We have going in this country a major effort to combat the effects of cigarette smoking. We spend annually several hundred thousand dollars to publicize the health hazards of cigarette smoking. We spend annually several hundred thousand dollars to develop ways to help those who wish to stop smoking. We spend annually several hundred thousand dollars to create cigarettes which are less hazardous for those who wish to quit but find that they are unable to do so. And, we spend annually millions and millions of dollars to support the growth, export, advertising, promotion, and grading of this deadly plant which will result in the death of more than 50,000 people during the next year from lung cancer, and many, many thousand additional deaths from heart disease, other cancers, and other lung diseases such as the dreaded crippler emphysema.

How can we face our young people and tell them of the virtues of our form of government, when the left hand and the right hand are working at cross purposes?

The argument is offered that most growers would be irreparably harmed were the Federal Government not to continue supplying assistance at current levels. We even hear—and sometimes from the same person—that present Government programs for tobacco are

costing our public nearly nothing. In truth, it is difficult to find out what the programs do cost in dollars and cents. But these programs of tobacco support cost the American people dearly in terms of health.

When we talk of health bills, we try to restrict the use of tobacco to educate people not to use tobacco, and to do research on how to deal with the diseases caused by tobacco. But when we consider a farm bill or an agriculture appropriations bill, we close our eyes to the health consequences of the crop and pump funds with somewhat reckless abandon into the growing and exporting of this hazardous crop. I am aware that there would be some problems if this amendment were passed. Alternative crops would have to be found for the tobacco farmer. And so, were this amendment to be accepted, I plan to offer an additional amendment; an amendment to provide for an adjustment assistance for those who are adversely affected by the termination of the crop support program.

The amendment provides that the price support program be phased out over the next 3 years. This would provide sufficient time for those engaged in farming or dependent upon the crop, to adjust to a nonsubsidized marketing economy.

Additionally, the amendment provides that the cost of tobacco inspection be assessed fully on the growers and processors. These charges for inspection are already assessed to growers and users of these services for other crops.

Lastly, the legislation would prohibit subsidies for export of tobacco. It comes as a shock to find that the United States underwrites, at a cost of approximately $30 million per year, the sale of tobacco in foreign countries. This money does not even go to the farmer; it goes to the exporter.

Mr. President, after 4 years of urging and pleading that the Committee on Agriculture hold hearings on tobacco subsidy legislation, we find that we are still deadlocked. I have introduced bills, but the committee states that it would not hold hearings until a report is filed by the Department of Agriculture—thus nothing happens. Last year, the Department of Agriculture, after 3 years finally filed a report. Needless to say, and I will be the first one to admit it, that report was adverse to the legislation. But the issues concerning the continued public expenditures of funds to support the growing of tobacco must be discussed and resolved. The absence of any committee discussion requires that we have this discussion here on the floor of the Senate. I call upon my colleagues to search their consciences. I call upon my colleagues to terminate this unwarranted expenditure of Federal funds which promote the continued growth and development of a crop which will cause the death of thousands of Americans this year, next year, and every year.

While we may not save many people's lives, as a minimum we will put the public on notice that their Government, now more than ever, has its priorities in order. Let us terminate this assistance for tobacco. Let us terminate it now.

Mr. TALMADGE. Mr. President, I shall be extremely brief. The Senator has proposed this amendment several times and the Senate always has overwhelmingly rejected it.

What does tobacco do for this country? Taxes—over $5 billion in local, State, and Federal taxes. That represents the receipts from the tobacco industry. What does it do for the balance of payments and trade? Six hundred thirty-nine million dollars on the positive side. It is time we looked at something positive on the trade side. Who makes a living from it? Five hundred fifty thousand farms grow tobacco and 625,000 farm families have their principal source of income from tobacco.

If the tobacco program is killed, what will happen? Most of these small farmers, largely in Appalachia, with modest income, will be driven off the farm and into the cities and become subjects of welfare.

I hope the Senate will overwhelmingly reject the amendment.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. ERVIN. Mr. President, this amendment would take the food out of the mouths and take the clothes off the backs of hundreds of families of farm families. Is that correct?

Mr. TALMADGE. The Senator is correct.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. HUDDLESTON. Mr. President, I am opposed to the amendment offered by the Senator from Utah (Mr. Moss).

The amendment is designed as an effort to discourage cigarette smoking. In effect, however, the amendment would have the opposite effect. Furthermore, it would do irreparable damage to a major agricultural sector, a sector which has not been conclusively proven to be the danger many would have us believe it is.

The amendment would phase out all support programs for tobacco by 1977 and prohibit immediately export subsidies and other assistance for foreign sales. In doing so, it would not only disrupt the tobacco production and marketing structure, but would also interfere with an important segment of our international trade.

The support program for tobacco is a two-sided coin. It is, on the one hand, designed to provide tobacco farmers—farmers who, in general, work small areas of land, often less than ten acres—with a minimum return for their labor. It is, on the other hand, a production limitation program. In order to participate in the tobacco support program, farmers must adhere to quotas or limitations on the amount of tobacco they market. Should these limitations be lifted, tobacco production could be expected to expand considerably, resulting in surpluses and falling prices. Not only would cigarette and tobacco products become more plentiful and cheaper, but many small farmers would face ruin—a ruin resulting from an erroneous means of dealing with a problem which may be more statistical than real.

I would be the first to oppose the subjection of health considerations to economic ones. The health of each individual in our Nation is too important for that. But, there are two points which should be made here. First, the relationship between smoking and certain diseases is not a 1-to-1 relationship. There are, in fact, many questions regarding the relationship—questions which, when conclusively answered, could make polemic differences in the approach we follow in the upcoming years. Second, and more importantly, the amendment will simply not accomplish the end it is designed to accomplish. It will, in all probability, have the counter effect. By encouraging cheaper and more plentiful tobacco products, it will undoubtedly encourage increased use. Yet, in having that effect, it is also likely to destroy the financial base of many small farmers, forcing them off the land and perhaps onto the urban welfare rolls. It is likely to deprive these farmers of a way of life they have known for years and the pride which their occupation has brought them. Furthermore, it is likely to interfere with trade patterns which have been developed over a number of years and which are a favorable factor in our balance of trade and balance-of-payments situations—a not insignificant matter at this time.

Thus, in view of the questions which remain regarding the true effects of tobacco upon health and the counterproductive effects the pending amendment is likely to have, I believe it should be rejected.

Mr. HELMS. Mr. President, I see no reason why the tobacco crop should be repeatedly singled out for unilateral assault in the Nation's farm support program, and especially in connection with S. 1888. As most Senators know, the tobacco program does not even expire this year. It is covered by separate legislation because of the unique way in which the program operates. Moreover, it is unique in another way: It is the cheapest of all the price support programs. In fiscal year 1972, the realized cost of the program was only $200,000. The cost of the Federal Government has sustained in operating the price support program for tobacco from 1933 to date has been about 0.15 percent of the cost for all farm commodity price support operations.

Tobacco is important to the Nation's economy. About 400,00 farms in the United States produce 2 billion pounds of tobacco on nearly 1 million acres each year. Although tobacco uses only 0.3 percent of the Nation's cropland, it is usually the fourth or fifth most valuable crop and accounts for about 8 percent of the cash receipts from all U.S. crops.

Mr. President, in 1972, tobacco brought U.S. farmers $1.4 billion in income and made a $878 million contribution to the U.S. balance of payments through exports.

Mr. President, I want to remind my colleagues that tobacco is not one of the crops run by gigantic "agribusiness" corporations with absentee owners. The average tobacco allotment is about 3 acres. It is an intensive labor crop, tended for the most part on the family farm. It

brings cash dividends to these families who otherwise would have a hard time making ends meet.

This fact is of special importance to the economy and culture of North Carolina. We have 80,000 Tar Heel farmers producing tobacco. It provides employment to nearly 200,000 of the State's farm families and seasonal workers. Last year, it brought the State's farmers over $580 million in income. That is over 60 percent of cash receipts from all crops grown.

Nationwide, hundreds of thousands of families earn their living from the production of tobacco. They are dedicated, hardworking citizens who, in my judgment, deserve to be encouraged, not hindered, in their constructive labors to support their families.

Mr. President, the USDA itself has admitted that in the first year of such a phaseout of the program as proposed by the junior Senator from Utah, the average tobacco grower's income would decrease by one-third. It would take until 1980 for the grower's income to come back up to the level that we have at present.

Many of these farmers already are barely at the subsistence level. If the tobacco price level is destroyed, welfare rolls would increase, rural people would flock to the big cities, particularly the industrial centers of the North, and add to the unemployment situation and all its attendant social evils.

Mr. President, in my judgment it would be immoral for the U.S. Congress to abandon these hard-working people by striking down the tobacco program. For there is no doubt that the tobacco market would be faced with ruination without the price support program. The success of the program is due primarily to its role in regulating the production of tobacco, not the subsidy paid to support prices.

To enter the program, a farmer has to vote to accept the acreage limitations. In most referendums, more than 90 percent of the growers voting have favored marketing quotas. It is generally agreed that because of the production control program, less tobacco is produced in the United States than would likely be the case if there were no Government programs.

Mr. President, there is no doubt that the effect of the junior Senator from Utah's program will be to increase tobacco production. It is my understanding that my colleague feels that the production and sale of tobacco is a social evil. I do not understand why he is advocating a measure that would increase the production of tobacco, and drive the price down, presumably making it more readily available to the consumer. Especially since at the same time, my colleague's measure would bring about the ruination of thousands of families who grow tobacco on the family farm, and add to the heartbreak and misery of conditions in congested industrial cities.

Mr. President, it is also my understanding that the junior Senator from Utah feels that the Federal Government should not be encouraging the production of tobacco because some people consider the use of tobacco offensive to health and morals. Yet I would like to point out that the Federal, State, and local governments—and U.S. citizens—enjoy some $5.22 billion annually in excise taxes collected from cigars, cigarettes, chewing tobacco, pipe tobacco, and snuff.

This figure—$5.22 billion, and I repeat, billion—is nearly four times the amount received by the tobacco growers themselves. Indeed, this tax revenue is more than 26,000 times the cost of the tobacco price support program to the Federal Government.

I submit that if it is morally proper for government at every level to enjoy the benefits of taxation from tobacco, then it is morally proper for the U.S. Government to encourage its production. We simply cannot have it both ways. If it is not proper to encourage production, then it is not proper to enjoy the benefits of taxing it. Indeed, if my colleague would consider amending his proposal so as to rescind all Federal excise taxes on tobacco, I might consider supporting it. In its present form, however, it would strike a severe blow to the economic and social structures of our Nation.

Mr. President, I have in my hand a table which summarizes the manufacture and consumption of tobacco products and the excise taxes paid in the United States between 1955 and 1972, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

TOBACCO PRODUCTS: MANUFACTURED/CONSUMPTION, AND EXCISE TAXES UNITED STATES, 1955-72

Year	Cigars [1] (million pounds)	Cigarettes [1] (million pounds)	Chewing [1] tobacco (1,000 pounds)	Smoking [1] "pipe" (1,000 pounds)	Snuff [1] (1,000 pounds)	Total [1] chewing, smoking, and snuff (1,000 pounds)	Cigarettes [2] per capita (number)	Cigars [2] per capita (number)	Smoking, [2] chewing, and snuff per capita (pounds)	Excise taxes collected—Federal, State, and local (billion dollars)
1955	6,063	412,309	79,908	79,991	39,221	199,120	3,597	55	1.22	$2.14
1960	7,140	506,944	64,861	73,839	34,599	173,309	4,171	61	.99	2.96
1965	8,340	556,806	65,129	71,781	29,710	166,621	4,258	70	.88	3.60
1970	8,028	583,251	68,789	69,370	26,522	164,681	3,970	60	.83	4.70
1972 [3]	10,050	599,001	73,008	55,845	25,490	154,343	4,050	52	.79	5.22

[1] Manufactured.
[2] Consumption.
[3] Date is preliminary.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Kentucky (Mr. COOK) may have 1 minute.

Mr. CURTIS. I object.

Mr. ROBERT C. BYRD. Mr. President, the Senator asks for only 1 minute.

Mr. CURTIS. I withdraw the objection.

Mr. COOK. Mr. President, the annual witch hunt of the antismoking zealots has once again plagued this body. The distinguished Senator from Utah, despite his sincere convictions as to the subversive influence of smoking, refuses to admit the inconsistency of his position, and the rationale of terminating one of the most successful Government programs in existence.

Although I have risen to argue the germaneness of the amendment to the bill now pending, I only wish there were another point of order named "foolishness." Because if ever there were a proposal more foolish, more illogical, more wasteful of the Senate's time, then the very foundations of this grand building must have rocked from convulsions of laughter from within.

Every year this body is forced to procede through this charade. Last year the distinguished Senator's efforts mustered all of 10 votes. Have things changed so significantly since July of last year? Of course not. As a matter of fact, all of the scientific hearsay upon which the Senator from Utah relies for his support has been called into even greater question. I spoke to this body in February of this year and consumed five pages of the CONGRESSIONAL RECORD in analyzing the great inconsistencies and conflicts within the scientific community regarding the issue of smoking and health.

I ask unanimous consent to have those remarks printed in the RECORD at this point.

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

THE CIGARETTE CONTROVERSY

Mr. COOK. Mr. President, the war against tobacco has been as protracted as was the fighting in Vietnam. Both have been waged for more than a decade. Both have gone on far too long. Both are harder to end than they were to begin. Both were probably avoidable, at least on the basis of hindsight. And both have demonstrated at great cost that there must be a better way to resolve differences.

Hopefully, the combat in Southeast Asia has been brought to an end. But sadly, no cease-fire, no armistice, no peace, no light at the end of the tunnel is in sight for the conflict that rages around smoking.

Mr. President, I come from a State that produces more burley tobacco than any other State in the United States. Once again, as in the past, January has brought with it the opening of the annual winter offensive against 50 million adult Americans who choose to smoke cigarettes. Once again, as in the past, the campaign has been preceded by

a massive bombardment of charges that masquerade as "overwhelming scientific evidence."

The campaign against smoking looks like science; it is packaged like science; it is promoted as science. But it sure is not science. It is a whole 'nother smoke-screen.

It is, in fact, a dangerously deceptive exercise in behavioral modification through manipulating and controlling the information on which decisions are based.

Mr. President, I refer to the recent report to Congress from the Department of Health, Education, and Welfare on the health consequences of smoking, the seventh in a series of documents required by law to inform Congress on the current state of scientific knowledge in this area.

In former years, these reports were named after the Surgeon General. This year, the gentleman was among a rather large group whose resignations were accepted by the President, which met with my blessings. Since he had departed before the christening, the only high HEW official who could be mustered to give the creature some sort of official sendoff was Dr. Merlin K. Duval, Assistant Secretary for Health. He signed the preface 2 days before he resigned. And Secretary Richardson, preoccupied with his passage across the Potomac to the Fentagon, perfunctorily signed the transmittal letter.

Once again, as in the past, no one in charge at HEW had taken the time to read the contents. Presidents come and go. So do Cabinet secretaries. But the HEW staff stays on—secure in its anonymity—and continues to turn out its antismoking reports. These old and practiced hands continue to promote their report to Congress, the medical community, and to the press as objective and complete scientific evidence, when, in fact, a more accurate label would be a one-sided propaganda tract.

And once again, as in the past, they have managed to carry off the same old false, misleading, and deceptive practice. The FTC demands that business substantiate its advertising claims, but raises no complaint against false, misleading, or deceptive practices of Government officials.

"Women Smokers Warned of Fetal and Infant Risks," said the New York Times headline, as if receiving the news from the Almighty, or Walter Cronkite. "United States Links Smoking to Infant Deaths," was the Washington Star headline, as if they were reporting some kind of national referendum. And that is the way it went across the country from front page to front page, from tube to tube.

Mr. President, I do not blame the headline writers, the newspaper reporters, or the television commentators. They lack the time to check details or to look behind the handouts. After all, why should they mistrust their Government on health matters? Perhaps they will in the future bring to health and science issues the same questioning attitude that they manifest in other areas of Government operations, such as the conduct of war and foreign affairs.

For to extend the analogy between Vietnam and tobacco, I believe it is perfectly proper to question the source of information given out about smoking and health. As an expert pointed out in a masterpiece on military strategy:

A great part of the information in war is contradictory, a still greater part is false, and by far the greatest part is subject to considerable uncertainty.

In the cigarette controversy, it is also true that Congress, the press, the public, and even the White House, operate under a serious information disadvantage. They are all dependent on information collected and controlled by entrenched Federal bureaucrats who operate anonymously in the dark nooks and crannies of the Federal Establishment.

I intend to throw light on their dark terrain, to turn over the rocks that shelter them, and to let everyone see just what and who emerges.

Title 42, section 241 of the United States Code establishes the "general powers and duties" of the Public Health Service. That section reads in part:

"Promote the coordination of, research, investigations, experiments, demonstrations, and studies relating to the causes, diagnosis, treatment, control and prevention of physical and mental diseases and impairments of man . . ."

Certainly, such a broad and general function would include the coordination of all activities relating to diseases, and not just those activities which tend to support the theories of certain individuals. To the contrary, unfortunately, the activities of Dr. Daniel Horn and his staff have failed to disclose any unbiased, scientific research. Horn and company were set up by Surgeon General Luther Terry, who leaped into prominence with the 1964 report on smoking and health. By 1967, he had established his clearinghouse in the Public Health Service with staff, funds, and mission.

From the start, Dr. Horn's mission has been, on the one hand, to reduce the number of cigarette smokers and, on the other, to serve as a central source of scientific information on smoking and health. And be responsible for HEW to Congress on this subject. To his credit, our last Surgeon General, Dr. Steinfield, agreed that these functions should be separated, because criticism of the apparent conflict was an "excellent point."

I digress slightly at this point to say that Dr. Steinfield was the gentleman, apparently on the advice of Dr. Horn, who said in Chicago at one time that you should not worry about some of these things, that marihuana probably was not any worse than cigarette smoking because five or six former Presidents had smoked marihuana quite a bit during their lifetime.

Incredibly, the first revelation is the shocking fact that the same individual who is charged with collecting and distributing all available material on the subject of smoking and health and report it to the Congress is the very same person who is responsible for conducting the Government's anti-smoking activities. That is rather strange. One and the same individual is judge, jury, prosecuting attorney, and chief investigator. This state of affairs has persisted since 1966.

The fox guarding the chicken house is Daniel Horn, Ph. D., a psychologist who came to Government in 1963 from the American Cancer Society, an organization which is frankly and honestly dedicated to the elimination of cigarette smoking in the United States.

So let us give credit where it is due. The proper name is not the Surgeon General's report, but is the "Horn Report," and that is what I shall call it during the remainder of my remarks.

Make no mistake, I am not critical of Dr. Horn's role as a zealous anti-smoking crusader, as an advocate of zero-level consumption of cigarettes, or a skilled propagandist, as an expert in the psychology of behavior modification. I just do not believe, and one may agree, that such a commitment to a cause can work for fairness, objectivity, or equity. I just do not expect the prosecutor to be sitting on the judge's bench and in the jury box, and then, call the result a fair trial. This is the crux of the issue.

However, as a Senator I am also concerned by the excesses of Dr. Horn's zeal especially when I read in the Washington Star:

"The Nixon administration's anti-smoking expert says there is enough evidence that smoking is so harmful to pregnant women that the federal government is beginning a national crusade to 'give babies a fair chance.' "

The United Press International reports Dr. Horn "the chief statistical crusader against smoking" as saying:

"A rapidly increasing proportion of the United States population favors an absolute prohibition on the sale of cigarettes.

You, too, may share my concern when the National Tatler, a sensational weekly, reports that "he's out to wipe non-filtered cigarettes off the face of the Nation," and that—

"His office, a subdivision of HEW, will have to go to Congress to get a law forcing the tobacco industry to conform to the low-hazard smokes."

Interestingly, this story ran 2 months after my distinguished colleague, Senator Moss, held hearings on his bill to limit and progressively lower the tar and nicotine content of cigarettes. True to form, Dr. Horn favored a rapid reduction to the zero level. By strange coincidence, one day after the 1973 Horn report hit the front pages, Senator Moss was announcing a new bill to lower tar content of cigarettes through repressive taxation.

You may become alarmed by Dr. Horn's back-of-hand attitude toward such a basic American concept as freedom of choice, especially as it applies to smoking:

"I think you can develop a holier-than-thou attitude in this area by saying that people have a freedom of choice and that we should provide them with the information and let them choose."

You may even grow agitated to discover that he is planning to conquer new worlds. "Everything we learn about how to deal with the smoking problem" he has said, "will serve in dealing with other problems in the control of gratification behavior." What does he have in mind; Eating? Drinking? Birth control? Sex education?

I certainly hope Casper Weinberger gets better acquainted with his administration's No. 1 smoke fighter than Elliot Richardson did.

But, Mr. President, what really and truly concerns me—and should concern every fairminded Senator regardless of where he stands on the cigarette issue—is the amazing fact that Dr. Horn is not concerned. He sees absolutely no conflict of interest, no inconsistency, no fundamental unfairness in his dual function in being a zealous inquisitor and unbiased evaluator. He does not admit the slightest doubt about his ability to prepare unbiased, objective reports on smoking and health to the Congress.

Mr. President, his reasoning is untenable, his attitude is unconscionable, and his conflict of interest is unacceptable.

It is time for all fairminded people—inside and outside the Government, and especially in the press—to become aware of and concerned about how scientific literature is handled in the Horn reports on smoking and health.

There is testimony before Congress that these reports are one-sided and biased. There is evidence that they are not based on all the world literature on the subject. There is ground to believe that Dr. Horn and his staff ignore, misintepret, or downplay scientific articles that report findings that do not support the anti-smoking party line.

The result is a double deception. We do not know that we do not know. We are sold a half loaf which is advertised as a whole loaf. You cannot sell bread that way and, I submit, you should not be able to sell science that way either. Let me give a few examples of how Dr. Horn operates.

Last year he prepared a chapter for the report entitled "Public Exposure to Air Pollution From Tobacco Smoke." The very words are an attempt to divert attention away from the real sources of air pollution.

The overall effect was calculted to raise the fear that nonsmokers were being harmed by their smoking neighbors. We were led to

believe that the chapter contained "positive" evidence of harm to nonsmokers in confined places such as airplanes. And it was successful. The now departed Surgeon General raised the battle cry: "Ban smoking in public places." We, therefore, see the spectacle of HEW enforcing segregation on its own employees who smoke. Rulemaking procedures to ban or segregate smoking were started to enforce the polcy on air and train travel. Even the presiding Chief Justice invoked the findings of the Horn report in a personal confrontation with a railrod conductor, and later in a letter to the Secretary of Transportatiton. He accomplished more than half the Members of Congress could accomplish. Mayor Lindsay acted swiftly to ban smoking on the decks of the Staten Island ferry, regardless of the pollution in the air above or the water below.

Now this is something that I know about. Let me tell you the results of a joint study performed by the FAA–HEW which actually studied and measured the air in passenger aircraft. This study was started in 1969 and completed in 1970. The principal finding of the study was that smoking in passenger aircraft did not represent a hazard to the nonsmoking passengers.

This negative finding was reported by, of all people, columnist Jack Anderson on December 20, 1970. But, it was not even mentioned by Dr. Horn in his 1972 report. It was completely ignored. I had the opportunity to ask Dr. Horn about this failure during his appearance before the Consumer Subcommittee last February. Dr. Horn's excuse was that the FAA–HEW study was "unavailable" to him until almost a year after the columnist had reported on it. Dr. Horn said that when he did receive the report, it was too late to include it in his chapter. Dr. Horn assured me that the findings of this Government-sponsored research project would be in this year's report.

However, the 1973 Horn report has completely avoided the subject of "Air pollution caused by tobacco smoking." Instead, Dr. Horn buried the "unfavorable" FAA–HEW study with a brief citation in a chapter entitled "Non-neoplastic Bronchopulmonary Diseases." True to his technique, while he mentioned the study, Dr. Horn refused to make public its basic finding that cigarette smoke does not harm nonsmokers.

Why should Jack Anderson be a more reliable reporter of Government-sponsored scientific research than Dr. Horn? Why has Dr. Horn dropped this whole matter of public smoking from this year's report? Could it be, as I am informed, that certain new and highly regarded research has demonstrated that the fears raised by Dr. Horn are not supportable?

My concern about Dr. Horn is heightened by other examples of his suppression or omission of evidence that goes against him. During the same consumer subcommittee hearings last February, the chairman asked two witnesses before us for a list of scientific articles which were published in the last 10 years and which had not been considered and discussed in the several reports on smoking and health. This list of omission was submitted and made part of the record. Would you believe that the total came to approximately 2,000 articles which were neither cited nor discussed by Dr. Horn and his staff?

Mr. President, although quantity does not always imply quality, the very size of this list, especially those of recent date, gives some inkling of the wide diversity of views among scientists about the causes of various diseases linked to smoking. If nothing else, the magnitude of the omissions, strongly suggest an investigation by the Senate of Dr. Daniel Horn's peculiar modus operandi.

Another example of how the Horn report distorts the evidence is seen in the handling of the health effect of smoking during pregnancy. In last year's Horn report, and again in this year's, the meticulous work of Dr. Jacob Yerushalmy was studiously brushed off, even though it was supported by a grant from the National Institute of Health. The reason, I believe, is that Dr. Yerushalmy concluded that the findings "raise doubt and argue against" the proposition that cigarette smoking harms the unborn. On the contrary, he said, "evidence appears to support the hypothesis that the higher incidence of low-birth-weight infants is due to the smoker, not the smoking."

I ask unanimous consent to insert in the RECORD a copy of Dr. Yerushalmy's correspondence regarding the criticism of his work by Horn and company. This letter should have been in the record of the February 1972 hearings of the Consumer Subcommittee but, although given to the staff for this purpose, for some reason it was omitted, as so often happens with evidence that goes against the antismoking view.

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

FEBRUARY 9, 1972.

Prof. JACOB YERUSHALMY,
Professor of Biostatistics School of Public Health, University of California, Berkeley, Calif.

DEAR PROFESSOR YERUSHALMY: During the hearings on S. 1454, a bill to require mandatory levels of "tar" and nicotine content of cigarettes, there was a reference to your studies on smoking and pregnancy.

Doctor Daniel Horn stated that your studies had been "criticized" and he was asked to supply copies of the "criticisms" for our record. I have been much impressed by your studies and would appreciate your providing any observations you may have, also for our record. We would be particularly interested in your views on the statements made concerning your work in the 1972 Report to Congress, as expressed in Chapter 5, and your views as to whether the 1971 and 1972 Reports fairly cover the pertinent literature on smoking and pregnancy.

Your recent article in the *American Journal of Obstetrics and Gynecology*, January 15, 1972, is extremely interesting. Any comment you might have with respect to this article and what it adds to our understanding of the subject would be greatly appreciated. I do not believe it was mentioned either in the 1972 Report, or by Doctor Horn when he appeared before our Committee, and wondered if he had received a copy.

Our record will remain open for approximately 30 days and I hope you will be able to respond to my inquiries within that time. I am sure that the Committee will welcome any light that you can shed to help guide its deliberations.

Sincerely yours,

MARLOW W. COOK,
U.S. Senator.

UNIVERSITY OF CALIFORNIA, BERKELEY,

Berkeley, Calif., February 23, 1972.

Senator MARLOW W. COOK,
U.S. Senate, Committee on Commerce, Washington, D.C.

DEAR SENATOR COOK: This is in response to your letter of February 9 inviting me to comment on the criticisms of my studies on cigarette smoking and pregnancy contained in the 1971 and 1972 Public Health Service Reports to Congress. Since the reports singled out my studies for criticism, I am glad to comply with your request.

Although most of the arguments in the reports hardly call for extensive rebuttal, I will comment on each point in the order in which it appears in the reports.

The 1971 report raises the following objections:

(a) *Criticism:*

"He referred to the small infants of smoking mothers as being 'apparently healthier' than those infants weighing less than 2500 grams who were born to nonsmoking mothers . . . but neither group can be considered 'healthy' having sharply elevated death rates." (P–404)

Comment:

I did not state that low birthweight babies of smokers were "healthy". I said that they were *"healthier"* than low birthweight babies of non-smoking mothers. No one can argue with this statement, for low birthweight infants of smokers who died at a rate of 138 per 1,000—while certainly not healthy—are nevertheless much healthier than low birthweight infants of non-smokers who died at a rate of 232 per 1,000.

(b) *Criticism:*

That the excess of neonatal mortality for smoking mothers in my study "is not significantly different from the 31% excess mortality reported by Butler et al which is statistically significant". (P–404)

Comment:

I suppose the least said about this strange argument the better. Who ever heard of using findings from one study (and a retrospective one at that) as a standard by which to measure another one. In any case, even this weak argument is lost completely in view of my 1971 study which shows almost identical neonatal mortality rates for infants of smokers and non-smokers. (11.3 vs. 11.0)

(c) *Criticism:*

"That the interpretation of the neonatal mortality among the infants weighing less than 2500 grams is difficult, because I considered only live births . . ." (P–404)

Comment:

If the authors of the report would have consulted any obstetrician, they would have found that in testing for relationships with birthweight (which after all is the major topic under discussion) one must limit consideration to live births, because birthweight of stillbirths are of questionable value since a number of them remain dead in utero for varying periods of time and their birthweights are reduced, not to mention the relatively large number of macerated fetuses. In any case, since our 1964 paper, Dr. W. F. Taylor analyzed the fetal deaths in our study and found no difference between smokers and non-smokers from the very beginning of pregnancy (abortions) and throughout the pregnancy (stillbirths). In fact the 1972 report quotes Taylor's findings (P–129). Incidentally, Taylor analyzed our fetal death data correctly by the use of the life table method. None of the other studies which show increases in abortion rates used this method. In fact, the one study on which the supplement leans heavily in their attempt to justify their statement that "women who smoke during pregnancy have a significantly greater risk of unsuccessful pregnancy than those who do not"—that of Russell, et al—lumps abortions, stillbirths and neonatal deaths in one almost meaningless index.

The 1972 report states the following criticisms:

(d) *Criticism:*

"That some of (my) findings are different from those reported in other recent large-scale prospective studies (5, 13, 17, 19), and some of the differences may be a consequence of the definition of 'smoker' used." (P–129)

Comment:

Again, a strange statement: "other recent large-scale prospective studies". These are as follows: Butler et al study (5) which is not a prospective but a retrospective study. The reports refer to this study several times as a "prospective" study (Pages 390 and 415 and in the table on Page 395 of the 1971 report and Page 129 of the 1972 report), and yet they state and quote from the study that "the smoking history was obtained shortly after delivery of the infant" which obviously shows that it was a retrospective study. (One may question the propriety of a government-

al publication to make such a serious misstatement in a report to the Congress). The other three studies are based on 6,376; 4,312; and 2,200 respectively (Kullander and Kallen (13); Palmgren and Wallande (17), and Russell et al (19)). It would therefore be more correct to say that the findings from these studies are different from the really large-scale prospective studies: Underwood's based on 48,000, Ratakallio's on 12,000 and Yerushalmy's on 13,000 pregnancies.

Moreover, in my 1972 paper I reviewed the entire literature consisting of 33 studies. I marked the discussion on Pages 277–278 in the enclosed paper. I have no doubt that any unbiased critical review of all the evidence must come to the same conclusion that I have underscored on the bottom of Page 278 and top of Page 279.

As to their speculation on the effect of the definition of "smoker," I wonder why they overlooked my extensive discussion of the problem in my 1964 paper. See table on Page 517 and the discussion of it beginning with the last paragraph on Page 515 to top of right hand column of Page 516. I wonder also why the reports did not raise the same question of definition when they discussed the study of Russell et al which they quoted so extensively to show the excess of unsuccessful pregnancies among smokers. Russell's definition was stated as follows: "The smoking habits of women are recorded at the time they are chosen for the survey." In any case, to keep the record straight, women were defined as "smokers" in our studies if they smoked throughout the pregnancy.

(e) *Criticism:*

They quote a comment from McMahon et al that there are factors that effect birth weight without influencing mortality. The example cited by McMahon is that of the sex of the infant. (Page 130)

Comment:

It is interesting that they found it necessary to dig up an old paper (1965) which comments on my 1964 paper, especially since I commented in that paper as follows: "Always present is the possibility that smoking during pregnancy indeed causes a reduction in the size of the infant without any increase in neonatal mortality."

The example of the sex of the infants which McMahon uses fits well with my contention in the 1971 and 1972 papers that the effect of smoking appears to be much like that of a biologic variable. I show that the differences in reproductive performance of smokers and non-smokers are very much like those of the biologic characteristics of short and tall women. Sex of the infant obviously is also a biologic and not an exogenous variable. Thus McMahon's comment strengthens rather than weakens my contention.

You asked me also to comment on what I think my recent article (January, 1972) adds to the problem of smoking and health. Primarily it is a contribution to the question of causation. As you know, our knowledge on casual factors in conditions and disease in humans is derived from uncontrolled or poorly controlled observational studies. The difficulty is that the groups being compared are generally not alike in many pertinent characteristics. Consequently, there is the uncertainty whether any differences observed are due to the factor studied or to the characteristics by which the groups are differentiated. This is especially disturbing when the findings do not fit well together as for example in the case of smoking and low birthweight, where smokers have more low birthweight infants and their infants should therefore have higher perinatal death rates, but such excess mortality is not found. We therefore continued to investigate the problem and the latest results almost clinch the argument against causation. This conclusion follows from the finding that women who eventually became smokers, produced a large proportion of low birthweight infants even before they started to smoke; although these infants were born under non-smoking conditions. Also striking is the fact that women who quit smoking produced a low proportion of low birthweight infants even during the period when they smoked, indicating, perhaps, that people who stop smoking are not smokers in the real sense of the word. These findings suggest that the relationship to low birthweight is due to the *smoker* not the *smoking*.

I would be less than candid if I did not add, as I did in the paper, that these findings must be considered tentative until confirmed or denied by many more studies on larger numbers with the inclusion of many more variables.

I believe also that the paper is making a contribution in its review of all the evidence on the question of smoking and outcome of pregnancy available in the literature. The papers discussed in the reports to Congress represent only a part of the available evidence.

May I also add that I presented the data from the 1971 and 1972 papers when I was invited to give the annual invited address before the Society for Epidemiologic Research in May, 1971. The official discussant was Dr. George B. Hutchinson, Professor of Epidemiology, School of Public Health, Harvard University. Dr. Hutchinson is on record as accepting the antismoking hypothesis. In his discussion he said in part:

"The piece of evidence that I cannot discard is the new observation on pregnancies of smoking mothers in which the pregnancy preceded the onset of smoking . . . This observation rests on 20 cases of low birthweight of future smokers. It requires repeat demonstration in a different population and with large numbers. For the present, however, I would accept the new evidence and tentatively reject the casual hypothesis. It no longer seems tenable to suppose that antismoking efforts can cause a rise in birthweight . . ."

You inquired also whether Dr. Horn received a copy of this paper. I do not know if he received one but last October, in response to a form letter inquiring about studies in the field of smoking. I sent him a reprint of my 1971 paper and two manuscripts with the notation that one of them was accepted for publication in the *American Journal of Obstetrics and Gynecology* (since published in the January, 1972 issue) and the other accepted for publication in the proceedings of the Berkeley Symposium on Mathematical Statistics and Probability, to be published later this year.

May I close this letter with a quotation of a paragraph from a letter that I wrote to Dr. Charles M. Fletcher of London who was the chairman of the committee and editor of the Royal College of Physicians' report on smoking and health, and who wrote a joint report on the same subject with Dr. Daniel Horn in the W.H.O. Chronicle in October 1970. They dealt with the evidence on smoking and pregnancy in much the same uncritical approach as that of the Public Health Service reports. Since Dr. Fletcher is a friend, I could be frank with him to write as follows:

"It seems to me that by adopting the policy of quoting only evidence which supports one's hypothesis and neglecting all other in the long run, defeats its purpose. For example, I was able to see in the area of pregnancy, with which I am familiar, that your review is not as objective as one would desire. I am therefore forced to the conclusion that I could not accept as unbiased the evidence in the other subjects in your review with which I am less familiar."

In my view, a similar statement may be made with respect to the data in the Surgeon General's Reports to Congress.

Sincerely yours,

J. YERUSHALMY,

Professor of Biostatistics, Director, Child Health and Development Studies.

THE CIGARETTE CONTROVERSY—CONTINUED

Mr. COOK. Mr. President, I could go on like this all day. Rather than take up additional time I will supply more information on this matter at a later date. But I must make one final point loud and clear to disabuse any mistaken notion that these are the rantings of a Senator whose constituents' ox is being gored.

The issue here is the abuse and misuse of science. The examples happen to deal with tobacco, but the impact is far wider. Indeed it undermines intelligent decisionmaking for sound policy on a dozen fronts. Are you concerned about exposure of industrial workers to dangerous substances on the job? Do not bother to struggle for improved occupational health, just put up a no smoking sign. Are you concerned about increased infant mortality, premature births, and deaths of newborn babies in our urban ghettos? Do not wrestle with the difficulties of improving medical care delivery in the slums; just put up a no smoking sign. Are you concerned about cleaning up the environment? Do not campaign to reduce air pollution; just put a no smoking sign up because "personal pollution," according to Dr. Horn, is more serious.

The crucial danger in all of these major issues on the national agenda is that science will follow some crusader's flag. It is a danger of great seriousness, as Justice Brandeis observed when he said:

"Men born to freedom are naturally alert to repel invasion of their liberty by evilminded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding."

Ironically, I borrowed this wise quotation from a report issued last week by the departing Secretary of Health, Education, and Welfare. I commend it to his successor.

Mr. President, the time is growing short to end the unscientific, unobjective, immoral, and in all honesty what I must call, the disgusting war against tobacco farmers. Even as I speak, Dr. Horn and his band of closedminded, antismoking crusaders are busily plotting a sneak attack against smoking. They are doing their work under the cover of the bipartisan national cancer attack program, and under the guise of scientific advice to Congress and the Presidency.

Wittingly or unwittingly, the National Institutes are being involved. Dr. Horn and his band have prevailed on NIH to set up an ad hoc advisory committee on smoking and health. He prevailed on NIH to approve of a secret meeting to be held last month in, of all places, the American Cancer Society office on 52d Street in New York City. They prevailed on these duly constituted Federal officials to flout the spirit and letter of Public Law 92–463, the Federal Advisory Committee Act, and fail to list the meeting in the Federal Register.

Fortunately Senator ERVIN caught them in the act. But nevertheless they prevailed on the NIH to reschedule the meeting for February 14—St. Valentine Day, perhaps with Al Capone's massacre in mind, and they further flouted the law by listing the announcement of the meeting, not in the Federal Register, but in the classified advertising columns of the Washington Post amid the lost-and-found items, puppies-for-sale, and my-wife-having-left-my-bed-and-board ads.

Finally, when they were forced to use the Federal Register, they prevailed on HEW to hold out to the bitter end, and list the meeting as pursuant to an Executive order rather than the congressionally enacted Public Law 92-463.

Mr. President, I now have in my posession the agenda of this hanging jury and would like to read it into the record at this point:

AD HOC COMMITTEE ON SMOKING AND HEALTH,
NATIONAL CANCER ADVISORY BOARD
NATIONAL INSTITUTES OF HEALTH,
February 14, 1973.

1. *Charge to the Committee*—Recommendations on setting of levels of tar and nicotine through legislative means.

2. Analysis of current legislation that may be used to establish maximum levels of tar and nicotine.

3. Legislative recommendations for establishment and enforcement of maximum levels of tar and nicotine.

4. Review of current NCI-NHLI efforts in smoking and health, and recommendations for their better organizations and funding.

5. Establishment of epidemiological monitoring studies that may determine the effectiveness of legislation.

LIST OF PROPOSED MEMBERSHIP [1]

Ad Hoc Committee on Smoking and Health

Dr. Philippe Shubik (Chairman), Eppley Institute.
Dr. Theodore Cooper, NHLI.
Mr. Emerson Foote, ACS.
Mr. James S. Gilmore, Gilmore Broadcasting.
Dr. Gio Gori (Executive Secretary), NCI.
Dr. Daniel Horn, National Clearinghouse for Smoking and Health.
Dr. Charles Kensler, Arthur D. Little, Inc.
Dr. Kenneth Krabbenhoft, Wayne State University.
Mrs. Mary Lasker, Lasker Foundation.
Dr. Jonathan Rhoads, Univ. of Pennsylvania.
Dr. Robert Ringler, NHLI.
Mr. Laurance Rockefeller, Rockefeller Brothers Fund.
Dr. Umberto Saffiotti, NCI.
Mr. Benno Schmidt, J. H. Whitney & Co.
Dr. Frederick Seitz, Rockefeller University.
Dr. Luther Terry, University Associates, Inc.
Dr. Ernest Wynder, American Health Foundation.

Three of the five items are legislative recommendations dealing with allegedly impartial advice to Congress. But which are in fact propaganda support for bills introduced by my distinguished colleague from Utah (Mr. Moss). Another item—the fourth—is Dr. Horn's effort to rebuild his empire within NIH, when he has failed to control behavior of Americans in regard to smoking elsewhere in HEW.

Now, finally, Mr. President, let me run down the list of a few of the names of this stacked jury upon whose advice the Congress and the presidency is dependent. First, there is Dr. Horn, whose name after this speech should be a household word. He was a former employee of the American Cancer Society. Second, there is Mary Lasker. She is a health lobbyist second to none, and a power behind the scenes at NIH under Presidents Kennedy, Johnson, and now, I am afraid, my President. She is a member of the board of the American Cancer Society. Third, there is Emerson Foote. He is a retired advertising agency man who fattened on cigarette accounts, and who now produces the Madison Avenue flourish to the antismoking and birth control campaigns. He is the author of full page ads headlined, "The Population Bomb Is Ticking." He is a member of the board of the American Cancer Society. Fourth, there is Luther Terry, the surgeon general who in 1964 was propelled from bureaucratic anonymity to media celebrity through antismoking campaigns. He is working for the American Cancer Society. Fifth, there is Jonathan Rhoads, who is a former president of the American Cancer Society. Sixth, there is Ernest Wynder, a tireless worker, who has built his career literally on the backs of the white mice he has painted with smoke condensate. Last year his HEW grants totalled nearly a million dollars and he has received two million dollars this year. Another on the panel is James Gilmore. I do not know him and do not impugn in any way his ability. But I must wonder at his expertise. He owns an advertising agency, a broadcasting station, and an automobile dealership in Kalamazoo. He is also heir to the Upjohn drug fortune.

I do not question the intentions or motivations of any of these men and women. I ask only this, Mr. President: How long will the Congress permit scientific policy to be based on prejudice, no matter how well intentioned, rather than truth, no matter how painful? How long will this body suffer from practices it has suffered for far too long? The history of progress in America has been built on the surrender of fictions to fact, myths to realities, falsehoods to truth. It is time for this body to help America shake off the chains of a prejudiced past, and to begin right now.

What, then, should be done? First and foremost, Mr. President, the Congress should be innoculated against the possibility of tainted information caused by a conflict of interest. Clearly, the Horn report should cease publication. The activity should be removed from his hands entirely, and perhaps, removed to a safe position entirely beyond the Department of Health, Education, and Welfare. The National Science Foundation, the National Academy of Science or the American Association for the Advancement of Science are possibilities to be explored. Perhaps the Congress should develop its own capability by enhancing the role of the newly established Office of Technological Assessment with this and similar missions.

Let us frankly face the monumental task before us. The health effects of environmental pollution, occupational hazards, poverty, and cigarette smoking are almost entirely unsolved problems, as is the nature and causation of the diseases they have been associated with. The present tendency, fostered by zealous persons and crusading groups, is to underplay the results of industrial air pollution, occupational exposure, and low-income living conditions while over-estimating the effects of smoking.

No greater obstacle to progress exists than the tendency to substitute guessing for knowing and to fail to clearly and openly distinguish one from the other. If we cannot know the health effects of air pollution because of the confounding effect of cigarette smoking, then we also cannot know the health effect of cigarette smoking because of the confounding effect of air polution. Let the Congress demand that HEW say so, and end the separate-and-unequal practice of scapegoating tobacco.

Mr. HUDDLESTON. Mr. President, I rise to speak briefly in response to the remarks of my senior colleague from Kentucky. I would like to emphasize the necessity for the Government to be very careful in taking any actions that would have an adverse economic impact, not only upon the farmers in my State of Kentucky and in other tobacco growing States, but also upon this entire Nation, by precipitously pursuing policies that may be based upon inadequate research and inadequate scientific knowledge in relation to smoking and the use of tobacco in this country.

There are some 56,000 tobacco farmers in my State. Most of them are small farmers, which is typical throughout the Nation in tobacco growing States. These small Farmers could be seriously and adversely affected by a number of recently mentioned antitobacco proposals, which may have little scientific backing.

It is important that we have a complete scientific picture so that we know what the health/smoking relationship is and what various courses of action are open and advisable before we take adverse action at the tobacco production and processing level.

Our State of Kentucky has tried to do something along this line. We have imposed additional taxes on cigarette sales for the purpose of research into the problem. These tax revenues have been allotted to the University of Kentucky, which currently has some $4 million for research and which anticipates receiving some $3 million this year from the tax. Those funds will be used to try to find out what, if any, are the harmful effects of tobacco and, whatever they are, how they might be eliminated, so that this crop may continue, and that those who benefit from it can continue to receive the economic advantages that result from it.

Since tobacco is closely involved in our export trade, it could be very detrimental to our balance of payments to act in a manner that would seriously affect the economic situation as it relates to tobacco, especially in light of current research deficiencies. Therefore I would urge that the Government be more concerned about intensifying the effort that has begun in our State of Kentucky to determine precisely what, if any, the harmful effects are and how they might be eliminated * * *.

Mr. COOK. But even if Senator Moss does not agree that there are grave doubts about the claims made against cigarettes, how does he justify the elimination of a program which has returned $14 for every Federal dollar spent? How does he justify eliminating the livelihood of 600,000 tobacco farming families throughout the United States? How can he justify destroying the economies of some of our greatest States, including the great Commonwealth of Kentucky? The Senator loves to cite the fact that about 50,000 Americans die of cancer each year, yet how many of those were nonsmokers? How many of those had contracted cancer prior to smoking? How many of those died of cancer of the colon, which undisputed scientific evidence indicates is caused primarily by the ingestion of sugar, a major commodity of the State of Utah?

Last year in the United States, 56,000 Americans died in automobile accidents. Does the Senator from Utah also propose to eliminate the highway program, which has paved a good portion of his State? Does the Senator propose to eliminate all of our aid and efforts in the Middle East so as to lose our supply of petroleum to power our cars? Obviously these proposals border on the ridiculous, but no more so than the proposal now pending.

But the game goes on, so let me recount for, hopefully the last time, the economics of the support program whose survival will most assuredly be guaranteed once again today. Last year tobacco farmers received $1.4 billion from the sale of domestically grown tobacco. U.S. exports of tobacco last year were valued at $879 million, approximately 95 percent of which were dollar sales. Obviously

[1] Newly established Committee.

this was a substantial asset in our balance-of-payments situation. During 1972, Federal excise taxes on tobacco products amounted to $2.2 billion. In addition, State taxes on tobacco products totaled $3 billion last year. Thus tax revenues at all levels of government from the sale of tobacco products—a record $5.3 billion—amounted to three times the total revenue received by all of the Nation's tobacco growers. All in all more than 50 percent of the retail cost of cigarettes went to State, Federal, and local treasuries during 1972.

As a commodity tobacco represented about 2.5 percent of the total agricultural production in the United States in 1972. It is grown in 25 States, and is the principal occupation, as I mentioned earlier, of nearly 600,000 families. What the effect of the Moss amendment would be is not a triumph for a health crusade, but rather the creation of economic turmoil and catastrophe in many areas of this country, including of course, the Commonwealth of Kentucky.

The case is clear, as is the choice. I do not know how much longer the Senator from Utah will continue to play the role of Don Quixote for the antismoking crusade, but I am sure that his fate will continue to be a clear conscience, but a resounding defeat.

Mr. HOLLINGS. Mr. President, the amendment being proposed on the tobacco subsidy program is ill-advised on so many grounds that it is difficult to know where to begin.

In the United States today, there are some 600,000 farm families who share in the proceeds of tobacco farming. Their livelihood is dependent upon the crop, as is their whole manner of living. Indeed, tobacco farming is one of the strongest remaining bastions of the family farm, employing many hundreds of thousands of individuals in a way of life that we talk so much about. We hear a great deal about the ideal of farm life, of the importance of preserving this traditional and wholesome way of living. Well, today we have a chance to back up our statements by concrete action. One thing is certain—action in the form before us today, of killing our tobacco programs, flies in the face of all our talk about preserving agriculture as an important factor in the American way of life.

From an economic standpoint, tobacco farming is vitally important. In 1972, the estimated total consumer expenditure on tobacco products exceeded $13 billion.

Federal tax collections amounted to $2.2 billion, an amount almost as large as the $2.7 billion in State and local tax collections—that is nearly $5 billion in tax receipts growing out of the tobacco industry.

And in these days when the matter of our chronic balance-of-payments deficits is on everyone's mind, I would point out that tobacco is a mainstay to American exports. As a matter of fact, our exports of tobacco rank fourth among our total exports. The amendment being proposed today would further jeopardize our already precarious trade position.

Mr. President, if we move to discourage the production of tobacco here at home, make no mistake about it—Americans will find tobacco and pay what they must to import it. All that can do is further harm the economic interests of the country.

In conclusion, Mr. President, all the arguments are on one side of this question—the importance of encouraging agriculture, of preserving the family farm, of maintaining an important source of revenue, and of helping our Nation in its trade relations with the other countries of the world. I hope the Congress will not jeopardize all of this in a moment of thoughtless action.

Mr. THURMOND. Mr. President, I rise to voice most strenuous objection to the amendment of the junior Senator from Utah.

Tobacco is important to this Nation's economy. At the present time, some 515,000 farms in the United States produce 2 billion pounds of tobacco on about 900,000 acres each year. On many farms more than one family depends on the income from tobacco sales, so that about 625,000 farm families share in the proceeds from tobacco sales.

In 1972, tobacco brought U.S. farmers $1.4 billion in income and made a $878 million contribution to the U.S. balance of payments through exports.

Mr. President, I want to remind my colleagues that tobacco is not one of the crops run by gigantic "agri-business" corporations with absentee owners. The average tobacco allotment is about three acres. It is an intensive labor crop, tended for the most part on the family farm. It brings cash dividends to these families who otherwise would have a hard time making ends meet.

This fact is of special importance to the economy and culture of South Carolina. We have hundreds of South Carolina farmers producing tobacco. It provides employment to thousands of the State's farm families and seasonal workers.

Nationwide, hundreds of thousands of families earn their living from the production of tobacco. They are dedicated, hardworking citizens who, in my judgment, deserve to be encouraged, not hindered, in their constructive labors to support their families.

Mr. President, the USDA itself has admitted that in the first year of such a phaseout of the program, as proposed by the junior Senator from Utah, the average tobacco grower's income would decrease by one-third. It would take until 1980 for the grower's income to come back up to the level that we have at present.

Many of these farmers already are barely at the subsistence level. If the tobacco price level is destroyed, welfare rolls would increase, rural people would flock to the big cities, particularly the industrial centers of the North, and add to the unemployment situation and all its attendant social evils.

Mr. President, in my judgment it would be immoral for the U.S. Congress to abandon these hard-working people by striking down the tobacco program. For there is no doubt that the tobacco market would be faced with ruination without the price support program. The success of the program is due primarily to its role in regulating the production of tobacco, and not in the subsidy paid to support prices.

Mr. President, in closing, I want to point out a few pertinent facts regarding the cost of this program.

In fiscal 1972, the realized cost of the tobacco price support program, including the now eliminated export payments on tobacco, totaled only $26.9 million. Sales under Public Law 480 amounted to $24.3 million, of which over $5 million was credit sales for dollars. The total cost, even including Public Law 480 and dollar credit sales, amounts to only $51.2 million.

My colleagues, more than anyone else, must understand that the cost of the tobacco price support program is one of the lowest of all commodities. The average annual cost since the inception of price support programs in 1933 amounts to less than $6 million per year. Compare this with the income to the Federal Government from taxes collected on tobacco products, which totaled $2.2 billion in calendar year 1972.

The States collected another $2.9 billion in tobacco taxes. Thus, total Federal and State taxes collected in 1972 amounted to $5.1 billion. From 1960 to 1972, total Federal and State taxes collected on tobacco products amounted to over $50 billion.

In 1972, export sales of tobacco and tobacco products totaled $879 million, thus adding $639 million to our balance-of-payments position. Since 1960 our balance-of-payments position has been improved in excess of $6 billion by export sales of tobacco and tobacco products alone.

I am proud of this record of the tobacco industry and of its contributions to this country, and urge my colleagues to support it and to vote against the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah (No. 200).

The amendment was rejected.

Mr. PELL. Mr. President, the bill now before us for final passage is a more acceptable product, I believe, than that originally delivered to us by the Committee on Agriculture.

The Senate has stricken some unwise provisions which would benefit large dairy cooperatives at the expense of the consumer and the independent dairy farmer. The Senate has agreed to terminate the so-called "bread tax" on the date the bill takes effect. The Senate has lowered the limitation on payments a farmer can receive and has eliminated some loopholes which have benefited corporate farmers. And the Senate has improved the food stamp program, making it more equitable in this time of skyrocketing food prices.

However, Mr. President, I believe that for a bill cited as "the Agriculture and Consumer Protection Act of 1973," this measure is strangely lacking in many provisions that, as far as I can judge,

would offer much protection to the consumer.

The fact is, Mr. President, that the consumers of this Nation are staggering under the burden of higher and higher costs for food—food of all types, not just meat. The headlines of newspapers across this Nation yesterday evening and this morning trumpet out the news that food prices increased last month at an annual rate of 49.2 percent. This is outrageous and there is no relief in sight.

And, Mr. President, I suggest that this so-called Consumer Protection Act offers no relief. It should be retitled and called what it truly is, "the Farmer and Farm Industry Protection Act of 1973."

I spoke of some improvements this body has made in the bill. The most onerous provisions remain, however, and these are the new version of the old price supports—direct payments—now called "target prices."

I believe that no matter what they are called or how they are administered, that direct subsidy payments to the farmers of this Nation work to the disadvantage of everyone, the farmer as well as the consumer-taxpayer.

Mr. President, I supported the excellent amendment sponsored by the junior Senator from New York (Mr. BUCKLEY) and I regret that more of our colleagues did not agree that it is high time we eliminated these direct subsidies and restored the agricultural system in this country to a free market.

To my mind, this bill would mean that the consumer would continue to pay to the farmer for more than he should—with indirect payments when food prices are high or in increased tax payments when prices are low and the farmer is subsidized.

Mr. President, I believe that the bill in its present form will continue the injustice done to our consumer-taxpayers for many years and is, in reality, just another piece of special interest legislation.

Mr. HUDDLESTON. Mr. President, I am pleased to support the Agriculture and Consumer Protection Act of 1973.

I represent a State which, in 1973, had a total of 125,000 farms. Major crops raised on these farms included tobacco, feed grains, wheat, soybeans and cotton. In addition, these farms produced livestock, poultry, eggs, hogs, and dairy products.

The programs which were authorized in the Agricultural Adjustment Act of 1970 and the programs which we are considering today are of vital importance to these 125,000 farms in Kentucky.

In 1972, some 54,330 farms participated in the feed grain program, 10,985 participated in the wheat program and 221 participated in the cotton program. In addition, all dairy producers benefited from the support program for milk.

Most of the farms in my State are rather small, with an average size of about 129 acres. Furthermore, about 70 percent of the farms sold less than $5,000 of agricultural products during that year.

In feed grains, 91.2 percent of the farm bases, which determine participation in support programs, were less than 30 acres in size and 41.3 percent were less than 10 acres. In wheat, 98.5 percent of the farms had allotments of less than 30 acres and 90.4 percent of less than 10 acres. In cotton, 78.3 percent of the farms had allotments of less than 30 acres and 51.7 percent of less than 10 acres.

In Kentucky, the size of the farm payments to individual farmers does not make anyone rich. Of the more than 54,000 farms participating in the feed grain program during 1972, 73 percent received payments of less than $500 per farm. In wheat, over 91 percent received less than $500 and in cotton the percentage was over 50.

These farm and income programs have not only provided some protection for farmers in Kentucky, but also have contributed to substantial economic activity in the local communities nearby.

Mr. President, I also represent some 3.2 million consumers. I understand and share their concern over the hole that prices in the grocery store make in their pocketbooks today. I know that it is little consolation for them—or for me—that the average American spends a smaller percentage of his income for food than the average citizen in other nations of the world. I know it is little consolation to speak of growing demand for protein throughout the world, the world food shortages of the moment, and the cost of production on the farm. I know that it is no consolation for the consumer to look at the Federal budget and to see that $3.1 billion of his tax dollars went into the commodity programs in 1972.

Instead of viewing themselves as adversaries, however, farmers and consumers should work together, for the mutual benefit of both. Having participated in the hearings on the extension of the programs covered in the Agricultural Adjustment Act of 1970 and the bills to increase the price support for milk, I am convinced that the future good of both our Nation's farmers and our Nation's consumers are bound together in the steady and reliable production of those foodstuffs which our Nation requires and which we can relay into markets abroad.

Farming remains an important aspect of our Nation's economy and one we cannot afford to do without. It is, in fact, the Nation's largest single industry, with assets of some $371 billion and with more than 4.4 million workers. While involving only 6 percent of our population, our agricultural industry supplies not only our own people but people in many parts of the world.

Over the years, we have seen the number of farmers in our Nation continuously decrease. The trend, even now, continues. But, it is not a trend that we should hasten, for such a move can not only destroy a spirit and way of life which has contributed unaccountably to our Nation's heritage but also can bring closer the day when farming will be in the hands of a select few, with the usual consequences of monopoly and limited competition. That is the day that we, as consumers, should seek to prevent. And, that is the day the pending bill seeks to discourage.

There are, in addition, some very important factors we should remember about agriculture. The farmer faces risks that few other businesses face, and he lacks the protection that most other businesses have. An automobile manufacturer can guard against fire and theft and the usual elements of weather. But, the farmer remains—and will continue to do so—at the mercy of droughts, of storms, of floods and of winds. We need only to look at the rise in the Mississippi River during recent weeks or remember Hurricane Camille, which contributed to feed grain deficits in many areas, to realize that agriculture is a risky and unpredictable business in which the surpluses of one year may disappear in the face of the unexpected weather conditions of the next.

There is also the factor of rising costs in farming operations. Just as the urban dweller sees an increase in his property taxes, the farmer sees one in his—on a land mass much exceeding that required for the urban or suburban home. Furthermore, each year, the land becomes more expensive, the enlargement of farms or the opening of new farms becomes unavailable except to the wealthy. When the gasoline for a car goes up, it also goes up for the tractor to plow the land, or for equipment to dry grains. It many ways, the circle appears to be the traditional vicious one. The costs of production drive up the food costs which become a part of the increasing cost of living which drives up the cost of other items, including those involved in production.

In fact, the cost of production is such that the return from farming today is about 5 percent, compared to about 15 percent for manufacturing.

A factor which especially concerns farmers is that of the historical cycles which have occurred in American agriculture. There have, without doubt, been the ups and down, over and over again. Today, we are told that American farmers have, indeed, reached the "promised land," that U.S. farm income is at an alltime high and that the future holds only more sunshine.

Unfortunately, American farmers have heard this before, and they are not so certain that it is true. Farm income is at an all-time high, but it was as recent as 1971 when there was a slump in farm income, and within the memory of most farmers are the big surplus years of the 1950's. Furthermore, much of the brightness in the future is premised upon the somewhat questionable belief that farm products will continue to find expanded markets abroad.

The American farmer has done his part to assist our Nation's trade and our balance of payments. Agricultural products account for about one-fifth of our Nation's total exports and the crop from 1 out of every 5 acres harvested is sold abroad to provide about one-seventh of all U.S. farm income. We should be proud of this farm accomplishment and seek out new markets where possible. At

the same time, we must be aware that other nations are also moving to meet agricultural needs and to compete in the markets of the world. We must realize that at least some of our recent sales have resulted from the inclement and disastrous weather conditions in other parts of the world. And, we must realize that our future export capabilities depend to a large extent upon being able to break nontariff trade barriers, which are exceedingly difficult to deal with.

I, as many others, believe that government tries too often to do too much. I believe that government should be restrictive in the actions it undertakes, that a careful balance must me maintained between the activities of the public and private sectors. But, food is the most basic of necessities. That is why we have heard so much about food prices this year.

That is why we must seek to restrain them in the upcoming years. That is why we must guarantee a healthy and diversified farm economy, with various participants. The bill which the committee has developed seeks to do just that. It seeks to provide a cushion under farm prices—a cushion designed to provide insurance against a fall in farm prices below a level which would make farming an uneconomic enterprise, but a cushion not overstuffed to the point where it will result in windfall or unreasonable profits. This should encourage the orderly and consistent production of foodstuffs which are basic to our diets.

TARGET PRICES

Under the bill developed in committee, support prices are not guaranteed as they have been in previous years. Instead, support prices will be available only when the market price falls below a certain target price—$2.28 per bushel for wheat; $1.53 per bushel for corn and 43 cents a pound for cotton. If the average market price during the first 5 months of the marketing year is above the levels mentioned above, the farmer receives no payment at all. If they are below the abovementioned levels, then the farmer receives the difference between the average market price and the specified target price.

There are, I believe, two important points related to this new procedure. First, the target prices represent 70 percent of parity, that is, 70 percent of the amount which a farmer would have to realize in order to earn the same amount that he did in an "ideal" period. Second, the target prices are quite close to existing market prices. Thus, if farm prices remain where they are now—as we have been told so often by so many that they will—then the costs of the program will be minimal.

LOAN PROGRAM

The loan programs for commodities, with existing loan rates, are retained so that the option of placing crops under CCC loans remains.

SET-ASIDE

The existing set-aside program for each crop is also retained, based on testimony that abandoning it in favor of a general land bank type program would lead to poor land management and overproduction, which could undermine the farm economy and farm production in the years ahead.

DAIRY PROGRAMS

The support level for manufacturing milk, that is, milk used to make dairy products, is increased from a minimum of 75 percent to 80 percent of parity for the upcoming year. The 80-percent support level is close to the existing market price for milk and reflects the committee's concern over the continuing decrease in the number of dairy cows and dairy farms, in the face of ever-increasing production costs, including feed grains.

Both in committee and on the Senate floor, I supported several amendments designed to facilitate the marketing of milk. One would provide for minimum charges for services, such as milk assembly, refrigeration and laboratory work, performed for handlers. Another would provide for payments to cooperatives for marketwide services. Milk cooperatives have proven themselves to be a highly efficient and successful marketing operation, and are now responsible for the marketing of a large percentage of our Nation's milk. In many ways, the two amendments above, as well as others which were discussed, seek only to recognize the realities of the present marketing structure.

That structure is, nevertheless, an extremely complex and little understood one. A number of penetrating questions were raised in floor debate regarding it. Both because of these questions and because of the need to insure a continued, efficient marketing of milk, I am hopeful that this structure can be reviewed and analyzed in some detail so that we can guarantee a fair and viable marketing system.

FOOD COSTS

As I have previously noted, food costs are of growing concern to all of us as consumers. In order to understand the underlying causes of food price increases and to deal with them effectively, we must have up-to-date information on both the costs of raw agricultural products and the processing and distribution of food. In April 1973, the farmer received about 44.2 cents of the retail food dollar, while processors and service industries received 55.8 cents. The bill reported from committee requires the Council of Economic Advisers to prepare quarterly reports on "all developments which affect the prices of food" so that we may analyze cost increases in more detail and, hopefully, devise appropriate measures to deal with them.

PROCESSING TAX ON WHEAT

The 75 cents a bushel processing tax which millers pay on wheat to be used domestically is eliminated, a move which bankers testified would preclude a need for a rise in the cost of bread.

PUBLIC LAW 480

The food-for-peace program which has contributed not only to the disposal of surplus foods but also to the development of markets abroad is continued for 5 years. This is one of the most worthwhile of our foreign programs, and it is, I believe, significant to note that sales are made for dollars—for U.S. currency—contrary to the manner in which they were made in the early days of the program.

FOOD STAMPS

The food stamp program which provides assistance to low-income families to enable them to purchase a nutritious diet is extended for 5 years, with an important amendment to permit participation by the blind and elderly, who were made ineligible by last year's legislation setting a floor under assistance provided them.

FIRE PROTECTION

One of the major restraints on development of rural areas has been the lack of adequate fire protection facilities. In recognition of this, the Rural Development Act of 1972 authorized a 3-year demonstration program of fire protection. Unfortunately, this program has not, to date, been funded. Amendments to this bill provide for the program to run for a 3-year period, beginning when it is initially funded and permit funds to be used for the purchase by volunteer fire departments in rural areas of firefighting equipment and for training to utilize the equipment. In many of our rural areas, we have fine, dedicated citizens, willing to contribute hours of their time to the protection of their communities. The cost of equipment is, however, a growing burden and limitation on the activities of these citizens. In seeking to upgrade our firefighting capabilities in rural areas, it seems only wise and logical to build upon this base which already exists to protect against fires.

TRANSPORTATION

The first assignment given to me this year as a new member of the Committee on Agriculture and Forestry was to conduct an inquiry into the freight car shortage as it affected the movement of agricultural products. Hearings were held before Subcommittee No. 3 on January 29 and 30 of this year and the Senate on February 19 adopted a resolution expressing the sense of the Senate that certain crops held under CCC loans should be resealed and that a committee should be formed to review and oversee the transportation crisis.

The response to that resolution was not all that it might have been and the freight car shortage has continued, plaguing farmers and warehousemen and costing the taxpayer money because of maritime subsidy payments. The committe bill, therefore, provides, in a section offered by Senator CURTIS and myself, for outright creation of a National Agricultural Transportation Committee, which shall meet upon the written request of two or more of its members and make such recommendations as it deems appropriate to facilitate the movement of commodities. The movement of privately-owned stocks are to be given priority over Government-held ones.

Mr. President, I believe these and the various other provisions of the Agriculture and Consumer Protection Act merit the support of the Senate. The legislation is, quite simply, premised on the

belief that Americans, as consumers, will benefit from the existence of a healthy and diversified farm economy—a farm economy which will not gain from government support programs when market prices are good, but a farm economy with a guarantee that it will not be undermined by a price fall in which production costs and a fair return would supersede market prices and thereby force a large segment of our farm population out of farming. The bill prepared in our committee is designed to accomplish the farm economy objectives I have just outlined and, on that basis, I give it my full support.

In closing, I would like to commend the very able chairman of the Senate Committee on Agriculture and Forestry for the manner in which he has proceeded both in committee and on the Senate floor, and I would like to thank him for the help and the many considerations which he has given me, as a new member of his committee, during deliberations on this bill.

Mr. MONDALE. Mr. President, I intend to call up my amendment No. 178 and ask unanimous consent that Senators HUGHES and MONTOYA be added as a cosponsor.

This amendment is not at all complex. It is designed to provide for an advance payment to producers in the event that market prices fall below the "target" prices established under the new farm bill. The amendment authorizes the Secretary of Agriculture to advance to producers, as soon as practicable after the end of the first month of the marketing season for wheat, feed grains and cotton, an amount equal to 65 percent of the Secretary's estimate of the total payment, if any, necessary to meet the requirements of the target price guarantees for each commodity.

The 1970 Agriculture Act provides for preliminary payments to producers after July 1 of each year. However, under S. 1888 farmers would not be eligible to receive payments if market prices fall below target levels, in the case of wheat until December, in the case of corn until the following March, and in the case of cotton until the following January.

S. 1888 is designed to assure the production of adequate supplies of food and fiber for consumers by insuring producers against losses if their expanded production results in prices below the target levels set forth in the bill. If market prices rise above the target prices, the cost to the Government will be nothing. If prices fall below target levels, the consumer will reap the advantage; and farmers meeting consumer needs for food and fiber will have been protected against the price effects of excess production.

I believe this is an excellent approach, and I feel that S. 1888 is an outstanding legislative achievement, which can benefit farmers and consumers while reducing the costs of Federal agricultural programs to the Treasury.

But in the event that farm prices fall well below target levels, I am concerned that the delay in providing payments to producers could result in unnecessary, but not insubstantial, costs to farmers.

My amendment would assist the farmer by enabling him to receive 4 months earlier 65 percent of the estimated total payments he would be entitled to under the committee bill. This advance, in the event market prices drop, would make operating capital available to producers, enable them to obtain credit on more reasonable terms, retire debts earlier, and save on interest costs.

The amendment does not provide for a guaranteed payment, apart from the difference between market prices and target prices, and thus it is fully consistent with the target price concept embodied in S. 1888. The amendment would result in basically no additional cost to taxpayers since the farmer would receive such payments in any event 4 months later.

To illustrate how the amendment would have worked if S. 1888 had been in effect last year—after the first month of the marketing season the Secretary would have advanced to wheat producers an estimated 57-cent per bushel payment, using the 65 percent of total payment guideline. Later in the year wheat prices advanced; however, the total payment provided under this legislation would still have been 60 cents per bushel after the first 5 months of the marketing season. During 1972 wheat prices showed the sharpest change on record ever as a result of the Russian sales. Yet the advance payment mechanism would have worked well and would have presented no administrative difficulties.

In summary, I believe inclusion of this amendment to S. 1888 would help to strengthen the effectiveness of the bill, benefiting both farmers and consumers by encouraging expanded production of food and fiber and by eliminating unnecessary costs to producers.

Mr. President, I would have hoped that this amendment could be agreed to by the Senate; however, I understand that the distinguished chairman of the committee objects to its passage.

I believe that the advance payments provision is a good one and would be beneficial to farmers and consumers. In the future I hope that this concept will be adopted. However, in light of the chairman's opposition I will not offer the amendment.

Mr. PERCY. Mr. President, S. 1888, which we have been debating for the past 3 days, is a highly complicated bill with many good provisions and others of dubious value.

This bill is called the Agriculture and Consumer Protection Act of 1973. Unfortunately it is a bill designed for the conditions of the 1930's, not the 1970's.

It is not a consumer protection bill as it can only drive retail prices up. It also could be extremely expensive for the taxpayer.

It is for this reason that it is opposed by the Secretary of Agriculture, the American Farm Bureau Federation, and the Illinois Agricultural Association and I believe, by a majority of Illinois farmers.

Farmers I believe are entitled to an adequate income and an adequate rate of return on investment. Their rate of return has been discouraging compared to off-farm income for decades throughout this period we have had farm legislation on the books based on the same economic philosophy as the present bill.

Therefore, this bill is not in the long-run best interests of agriculture nor the consumer.

Therefore, Mr. President, I oppose final passage of this legislation.

My concern with the bill as presently written, is its total cost.

Assuming prices would average $1.30 per bushel for corn, $1.60 per bushel for wheat and 28 cents per pound for cotton, total government costs would increase from an average of $3.2 billion under the Agriculture Act of 1970 to an average of $63 billion under S. 1888.

Government costs would escalate by an average of 30 percent over the life of S. 1888 to more than $8 billion in 1978–79. If prices should decline to 1971 levels, direct payment costs would increase by an additional 30 percent, which would increase total program costs to more than $10 billion annually by the last year of the bill.

The mandatory increase in dairy price supports to 80 percent of parity would increase CCC acquisition costs by nearly $45 million in 1973–74. It would also increase the wholesale value of milk by an estimated $182 million. This cost, plus additional margins, will be passed directly on to consumers.

The high target prices proposed under S. 1888 could also jeopardize our position in international trade. In order to minimize treasury outlays, an incentive to curtail production and increase prices will persist. Higher prices will weaken our competitive advantage, reduce trade and lessen agriculture's contribution to a favorable balance of trade. At the same time, target prices covering essentially 100 percent of production. will likely be viewed as a subsidy to produce by our foreign competitors.

Mr. President, I ask unanimous consent to insert some charts in the RECORD showing cost estimates for S. 1888 from 1974–78.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, although I realize that these costs would not necessarily have to be paid by the Government if market prices hold at their present high levels, I do not think we can afford to put into law this potentially large commitment of funds by the Government to support farm programs.

Also, Mr. President, I would like to insert in the RECORD a letter from Secretary of Agriculture Butz stating the Department's basic objections to S. 1888.

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

(See exhibit 2.)

Mr. PERCY. Mr. President, I intend to vote against final passage of S. 1888.

EXHIBIT I

FEEDGRAINS, WHEAT AND COTTON PROGRAM COSTS: 1971 ACTUAL, 1972 AND 1973 CURRENT ESTIMATES, AND PROJECTED COSTS UNDER S. 1888 FOR 1974 THROUGH 1978 ASSUMING HIGH AND LOW LEVELS OF DEMAND

[In millions of dollars]

	1971 crop fiscal year 1972 actual	1972 crop fiscal year 1973 estimate	1973 crop fiscal year 1974 estimate	Estimates under S. 1888									
				1974 crop fiscal year 1975		1975 crop fiscal year 1976		1976 crop fiscal year 1977		1977 crop fiscal year 1978		1978 crop fiscal year 1979	
				High	Low	High	Low	High	Low	High	Low	High	Low
Feed grains:													
Direct payments	1,053	1,845	1,178	1,789	1,688	2,427	2,227	3,009	2,717	3,633	3,232	4,244	3,760
Other CCC costs	669	−630	223	129	129	131	131	133	135	135	135	137	137
Public Law 480	83	122	100	100	100	100	100	100	100	100	100	100	100
Total feed grain program costs	1,805	1,337	1,500	2,027	1,917	2,658	2,458	3,242	2,950	3,868	3,467	4,481	3,997
Wheat:													
Direct payments	878	855	777	1,341	242	1,457	1,397	1,641	1,521	1,824	1,693	2,015	1,870
Other CCC costs	−11	−852	−344	169	169	113	133	55	55	55	55	55	55
Public Law 480	425	350	350	350	350	350	350	350	350	350	350	350	350
Total wheat program costs	1,292	353	783	1,860	761	1,920	1,860	2,046	1,926	2,229	2,098	2,420	2,275
Cotton:													
Direct payments	819	809	700	670	670	740	740	820	820	875	875	980	980
Other CCC costs	−59	30	----------	10	10	20	20	10	10	30	30	30	30
Public Law 480	80	116	125	125	125	125	125	125	125	125	125	125	125
Total cotton program costs	840	955	825	805	805	885	885	955	955	1,030	1,030	1,135	1,135
Total—3 programs:													
Direct payments	2,750	3,509	2,655	3,800	600	4,624	4,364	5,470	5,058	6,332	5,800	7,239	6,610
Other CCC costs	599	−1,452	−121	308	308	264	264	198	198	220	220	222	222
Public Law 480	588	558	575	575	575	575	575	575	575	575	575	575	575
Total program costs	3,937	2,645	3,109	4,683	4,483	5,463	5,203	6,243	5,831	7,127	6,595	8,036	7,407

SUPPLY AND UTILIZATION SUMMARY: FEEDGRAINS, SOYBEANS, AND WHEAT AND COTTON S. 517 (S. 1888)

	1972 estimate	1973 estimate	1974		1978	
			High	Low	High	Low
Feed grains:						
Planted acreage:						
Corn (million acres)	66.8	74.6	73.3	68.7	78.8	69.3
Sorghum (million acres)	17.5	19.4	21.4	20.4	23.4	21.6
Barley (million acres)	10.6	11.5	10.2	9.6	11.3	10.4
Oats (million acres)	20.3	20.5	20.5	20.5	20.5	20.5
Total (million acres)	115.2	126.0	125.4	119.2	134.0	121.6
Feed grains setaside (million acres)	36.6	9.1	5.0	18.7	----------	9.6
Yield (corn bushel per acre)	96.9	94.0	97.0	97.0	109.0	109.0
Production:						
Million bushel corn	5,553	6,072	6,144	5,694	7,499	6,469
Million tons feed grain	199.7	219.2	223.3	208.9	269.3	236.7
Demand (million tons):						
Domestic	178.0	181.1	189.4	184.0	213.3	207.7
Exports	33.4	36.4	34.0	25.0	56.0	29.0
Total	211.4	217.5	223.4	209.0	269.3	236.7
Ending stocks	37.0	39.0	39.2	39.2	40.3	40.3
Price (dollars per bushel, corn)	1.29	1.30	1.30	1.30	1.30	1.30
Direct payments cost (million dollars)	1,845	1,178	1,798	1,688	4,244	3,760
Other CCC costs (million dollars)	−630	223	129	129	137	137
Public Law 480 cost (million dollars)	122	100	100	100	100	100
Total program costs (million dollars)	1,337	1,501	2,027	1,917	4,481	3,997
Soybeans:						
Planted acreage (million acreas)	47.0	54.4	56.0	52.0	61.5	57.5
Yield (bushel per acre)	28.0	28.5	29.0	29.0	31.0	31.0
Production (million bushels)	1,283	1,540	1,595	1,480	1,875	1,750
Demand (million bushels):						
Domestic	825	880	925	885	1,020	980
Exports	490	600	650	575	850	765
Total	1,315	1,480	1,575	1,460	1,870	1,745
Ending stocks	40	100	157	157	172	172
Prices (dollars per bushel)	4.25	4.50	4.00	4.00	4.00	4.00
Total program costs (million dollars)	−14	11	15	15	15	15

	1972 estimate	1973 estimate	1974		1978	
			High	Low	High	Low
Wheat:						
Planted acreage (million acres):						
Planted	52.4	58.2	60.5	55.0	57.0	52.0
Setaside	20.1	7.2	5.7	13.1	----------	14.8
Yield (bushels per acre)	32.7	33.1	32.6	33.2	35.0	35.6
Production (million bushels)	1,545	1,736	1,737	1,597	1,765	1,630
Demand (million bushels):						
Domestic	826	766	781	781	890	890
Exports	1,150	950	850	710	875	740
Total	1,976	1,716	1,631	1,491	1,765	1,630
Ending stocks (million bushels)	433	454	559	559	609	609
Price (dollars per bushel)	1.77	1.90	1.60	1.60	1.60	1.60
Direct payment cost (million dollars)	855	777	1,341	1,242	2,015	1,870
Other CCC cost (million dollars)	−852	−344	169	169	55	55
Public Law-480 cost (million dollars)	350	350	350	350	350	350
Total program cost (million dollars)	353	783	1,860	1,761	2,420	2,275
Cotton:						
Planted acreage (million acres)	14.0	13.1	13.0	12.0	13.0	12.0
Setaside (million acres)	2.0	----------	----------	1.0	----------	1.0
Yield (pounds per acre)	500	480	480	480	500	500
Production (million bales)	13.7	12.0	12.3	11.4	12.8	11.9
Demand:						
Domestic (million bales)	7.7	7.8	7.8	7.6	7.9	7.7
Exports (million bales)	4.8	4.5	4.5	3.8	4.7	4.0
Total (million bales)	12.5	12.3	12.3	11.4	12.6	11.7
Ending stocks (million bales)	4.5	4.2	4.2	4.2	4.7	4.7
Price (cents per pound)	27.0	29.0	28.5	28.5	27.0	27.0
Direct payments	809	700	670	670	980	980
Other CCC inventory	30	----------	10	10	30	30
Public Law 480	116	125	125	125	125	125
Total program costs	955	825	805	805	1,135	1,135

ESTIMATED COST FOR ALL MAJOR TITLES OF S. 1888[1]

[In millions of dollars]

	Fiscal year 1975	Fiscal year 1976	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979
II. Dairy:					
Marketing orders	0.1	0.2	0.2	0.2	0.2
Price supports	245	200	200	200	200
Dairy indemnity	.4	.4	.4	.4	.4
	21.8	21.1	20.5	19.8	21.3
III. Wool and mohair	[3] 1,510–[4] 1,411	[3] 1,570–[4] 1,510	[3] 1,696–[4] 1,576	[3] 1,879–[4] 1,748	[3] 2,070–[4] 1,925
IV. Wheat[2]	[3] 1,927–[4] 1,817	[3] 2,558–[4] 2,358	[3] 3,142–[4] 2,850	[3] 3,768–[4] 3,367	[3] 4,381–[4] 3,897
V. Feed grains[2]					

	Fiscal year 1975	Fiscal year 1976	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979
VI. Cotton:					
Direct payments and other CCC[3]	[3]670–[4]670	[3]750–[4]750	[3]820–[4]820	[3]895–[4]895	[3]1,000–[4]1,000
Insect	40	40	40	40	40
Research	10	10	10	10	10
VII. Public Law 480[5]	1,100	1,100	1,100	1,100	1,100
VIII. Beekeeper	2.5	2.5	2.5	2	2
Food stamp	2,461	2,461	2,461	2,461	2,461
VIII. Miscellaneous:					
Farm production cost	2	.8	.8	.8	.8
Livestock losses	.5	.5	.5	.5	.5
International Grains Conference					
Transportation Commission					
Wheat and grain reserve	.5	.5	.5	.5	.5
FAS—Export	.4	.4	.4	.2	
Rural fire	7	7	7		
Forest incentive	15	17.5	20	22.5	25
Cost sharing for titles IV, V, VI					
Total	8,013.3–7,804.3	8,739.9–1,179.9	9,521.8–9,109.8	10,399.9–9,867.9	11,312.7–10,683.7

[1] For feed grains, wheat and cotton cost estimates were made assuming both a high and low level of demand.
[2] Does not include Public Law 480.
[3] High.
[4] Low.
[5] All Public Law 480 costs.

EXHIBIT 2

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 5, 1973.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: With the Senate moving toward consideration of S. 1888, I feel a responsibility to present the Administration's views relative to important and far-reaching provisions of this legislation, which we did not have an opportunity to discuss before the Senate Committee on Agriculture and Forestry.

The Committee is to be commended for continuing the successful provisions of the Agriculture Act of 1970 which enabled farmers to shift from the rigid controls and production patterns inherent in farm programs based on past legislation. However, I am disappointed that the Committee did not build on this breakthrough by establishing cropland bases rather than relying on outmoded allotments and bases.

The bill does retain "farmer freedom" provisions which contributed immensely to the broad acceptance and favorable outcome of the Agricultural Act of 1970. The bill is a positive step toward removal of payments that were mandatory regardless of price or production adjustment needs. These are constructive elements in developing a sound farm program.

The basic objection we have to S. 1888 is the perpetuation of heavy government involvement in agriculture through payments for the life of the legislation.

While *market prices* at the levels cited in the bill are realistic, guaranteed price floors at those levels are unrealistic. Our *guaranteed price floors* at those levels are unrealistic. Our objection to this 5-year extension of payments could be mitigated if the target prices were set at a more realistic level and if the escalation provisions were eliminated.

The dairy provisions are particularly undesirable. While we may adjust our previous position of asking for no minimum guidelines on dairy support levels, we find the increase in the minimum support level from 75 to 80 percent of parity unacceptable.

We agree with the proposed extension of Titles I and II of Public Law 480. We are opposed to the recommendation for an international conference leading toward commodity agreements governing international trade in grains. This would weaken the U.S. position in trade negotiations now underway in the GATT and would not be in the best interests of U.S. producers.

I hope that the Senate will examine closely the detrimental effects that these provisions would have on the future of U.S. agriculture before coming to a conclusion.

Sincerely,

EARL L. BUTZ,
Secretary.

NUTRITIONAL QUALITY OF THE FOOD DISTRIBUTION PROGRAM

Mr. EAGLETON. Mr. President, I was unable to be present yesterday during the discussion of the amendment of the Senator from Minnesota (Mr. HUMPHREY), subsequently adopted by a voice vote, which would authorize the Secretary of Agriculture to purchase commodities on the open market when it becomes necessary to do so in order to make available a full and balanced range of foods through the food distribution program.

Although the food stamp program has become the major family food assistance program, many counties throughout the nation continue to participate in the food distribution program. Some 2.6 million Americans currently rely on this program for food assistance.

The food distribution program is of particular significance in Missouri where it operates in 103 out of of 114 counties. At last count, more than 152,000 Missourians were receiving food assistance through this program. And, accepted wisdom notwithstanding, many people in Missouri continue to prefer the food distribution program to the food stamp program.

Therefore, it is a matter of some concern to me that the nutritional value of the food distribution program has been seriously eroded over the past few months.

For instance, I have been informed that there has been no cheese available through this program in Missouri since October 1972. Powered or dry milk has been received only sporadically in recent months. There are no more dried prunes. Canned luncheon meat now on hand will be exhausted by July 1. State officials have been advised not to count on receiving canned poultry in the months ahead.

Thus the protein content of the food being made available to needy families and individuals in Missouri is in danger of reaching the vanishing point.

As I understand the amendment of the Senator from Minnesota, it would authorize the Secretary of Agriculture to undertake special efforts to purchase foods crucial to a nutritionally adequate diet when these foods are not available through the normal surplus removal and price support activities of the Department.

I want to commend the Senator from Minnesota for bringing this matter before the Senate, and I am hopeful that this provision of S. 1888 will be accepted by the House of Representatives.

Mr. CLARK. Mr. President, I am indeed happy to support S. 1888, a bill which I firmly believe, if approved and effectively administered, will assure consumers plentiful supplies of food at reasonable prices.

This past weekend I was visiting with my constitutents in central Iowa and I found them frustrated by the wet weather and the high prices for grains, soybeans, hogs and cattle at a time when they had little to sell. At the same time the nonfarm people were complaining about continually rising food prices. I am sure this experience was not unique. A similar situation prevails in many, many rural areas today.

The Agriculture and Consumer Protection Act of 1973, will not solve all of the current problems of food producers and consumers. It will not bring us sunny skies and good crop growing weather. But it will do more to assure both agricultural producers and consumers a fair deal than previous farm price support bills.

I want to congratulate the distinguished chairman of the Committee on Agriculture and Forestry (Mr. TALMADGE) for his able leadership in obtaining the views of all segments of the food industry and then developing this comprehensive and balanced bill, in record time. It has been an honor and a privilege to participate in this process with the other distinguished members of the committee.

S. 1888 is more than amendments to and extension of the Agricultural Act of 1970. It is a landmark farm bill based on all the experience accumulated since the first Agricultural Adjustment Act was passed in 1933.

It continues the popular setaside features of the 1970 Act. It also reinstates authority for individual crop acreage adjustments which were a part of the equally popular 1965 Act.

The landmark aspect of S. 1888, however, is its adoption for the first time of specific target price goals, $2.28 a bushel for wheat, $1.53 a bushel for corn and 43 cents a pound for cotton. These target prices are to be adjusted over the 5-year life of S. 1888 on the basis of the index of prices paid for production supplies, interest, taxes, and wage rates.

If prices remain at current levels in most cases the target prices would be

achieved in the marketplace and government payments would be reduced to nominal levels or eliminated entirely.

If, however, farm production again overshoots available markets and prices fall sharply, producers are protected. The Government agrees to make up the difference between the target prices and the average market prices the first 5 months of the marketing year. If grain and cotton prices for the 1974 crop are maintained at approximately current levels, few if any Government payments will be required.

Under S. 1888 producers are assured reasonably stable incomes from producing cotton, feedgrains, and wheat for the next 5 years. If market prices fall below target levels the difference will be made up by Government payments.

Producers will be encouraged to produce abundantly, thus aiding consumers faced with mounting costs. At the same time producers would be assured of income which would prevent bankruptcy in case of very large crops resulting from open throttle production.

Crop acreages will be idled only as a last resort if market prices fall to relatively low levels and after adequate reserve stocks have been accumulated.

Feed grain producers are given reasonably equitable price and income protection in S. 1888 for the first time in recent years as compared to cotton and wheat producers. Under the 1965 and 1970 acts Government price protection was only extended to one-half the base production on feed grain farms, although extended to the entire cotton allotment and to all wheat produced for domestic use.

As a Senator from the heart of the cornbelt, I am indeed happy that the other members of the committee recognized the equity of my plea for extending price and income protection to feed grain producers total base acreages, rather than to only one-half of their production.

At the appropriate time I plan to offer an amendment to raise the minimum market price support loan level from $1 on corn and $1.25 on wheat to $1.24 and $1.55, respectively. I also joined Senators BAYH and WEICKER in sponsoring an amendment to eliminate the 75 cents a bushel tax on wheat used for domestic food consumption use immediately upon passage of this bill rather than allowing it to continue until January 1, 1974.

Other amendments will be offered. Some perhaps will improve S. 1888. For my part, however, I feel that, in the last analysis, S. 1888 can only be seen as a landmark bill that deserves approval by such a large majority that the other body will quickly take favorable action on it.

Mr. BURDICK. Mr. President, I rise in support of S. 1888, the Agriculture and Consumer Protection Act of 1973, a bill of prime importance, both to the farmers and the consumers of this Nation.

Of all the prime necessities of life, food and fiber take first place. The affluence and health of this Nation are based on the abundance of agricultural products with which we are blessed. This bill, if enacted into law and wisely administered, will assure consumers continued adequate supplies of food and fiber at reasonable cost while assuring family farmers of a fair income.

The bill establishes a target market price for wheat, feed grains, and cotton. The 1974 crop year target price is $2.28 per bushel for wheat; $1.53 for corn; and $1.26 for barley. The target price for succeeding years 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.

The economic well-being of our farm population is basic to the well-being of our entire Nation. I urge the passage of the bill.

Mr. TALMADGE. Mr. President, I wish to thank and congratulate the members of the staff who made the passage of this bill possible.

It is an immensely complex and important bill. The committee was able to act expeditiously because of the fine work of the committee staff.

The staff work included the scheduling and preparation of field hearings as well as Washington hearings, a great deal of legal drafting, several economic analyses, and considerable work in educating the press as to the problems and needs of farmers.

I wish to thank the entire staff for this effort, with special thanks to Harker Stanton, the general counsel and staff director; Mike McLeod, Henry Casso, Jim Giltmier, Jim Thornton, Forest Reece, Bill Taggart, Cotys Mouser, and Jim Kendall.

Mr. President, I ask for the yeas and nays on the final passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The hour of 2:30 having arrived, the question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. PELL. Mr. President, on this vote I have a live pair with the junior Senator from Arkansas (Mr. FULBRIGHT). If I were permitted to vote, I would vote "nay." If the Senator from Arkansas were present and voting, he would vote "yea." I therefore withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), and the Senator from Arkansas (Mr. MCCLELLAN) 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 Iowa (Mr. HUGHES), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Mississippi (Mr. STENNIS), and the Senator from Michigan (Mr. HART) would each vote "yea."

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 Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

If present and voting, the Senator from New Mexico (Mr. DOMENICI), the Senator from Colorado (Mr. DOMINICK), and the Senator from Nebraska (Mr. HRUSKA) would each vote "yea."

The result was announced—yeas 78, nays 9, as follows:

[No. 189 Leg.]

YEAS—78

Abourezk	Eastland	Mondale
Aiken	Ervin	Montoya
Allen	Fannin	Moss
Baker	Fong	Nelson
Bartlett	Gravel	Nunn
Bayh	Gurney	Packwood
Bellmon	Hansen	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Proxmire
Biden	Hathaway	Randolph
Brock	Helms	Schweiker
Brooke	Hollings	Scott, Pa.
Buckley	Huddleston	Scott, Va.
Burdick	Humphrey	Sparkman
Byrd, Harry F., Jr.	Inouye	Stafford
	Jackson	Stevens
Byrd, Robert C.	Javits	Stevenson
Cannon	Johnston	Symington
Case	Kennedy	Taft
Chiles	Long	Talmadge
Church	Magnuson	Thurmond
Clark	Mansfield	Tunney
Cook	McClure	Weicker
Cranston	McGee	Williams
Curtis	McGovern	Young
Dole	McIntyre	
Eagleton	Metcalf	

NAYS—9

Beall	Mathias	Roth
Goldwater	Percy	Saxbe
Hartke	Ribicoff	Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Pell, against

NOT VOTING—12

Bennett	Fulbright	Hughes
Cotton	Griffin	McClellan
Domenici	Hart	Muskie
Dominick	Hruska	Stennis

So the bill (S. 1888) was passed, as follows:

S. 1888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Agricultural Act of 1970 is amended as follows

Payment Limitation

(1) Section 101 is amended by—

(A) amending subsection (1), effective beginning with the 1974 crop, to read as follows:

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1978 crops of the commodities shall not exceed $20,000."

(B) amending subsection (2) effective beginning with the 1974 crop, to read as follows:

"(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation."

Milk Marketing Orders

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1978", and by striking out "1976" and inserting "1981", and

(B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ': *Provided further,* That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase 'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated needs'."

Milk Price Support, Butterfat Price Support Suspension

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "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

(C) inserting in subsection (b) after the first sentence in the quotation the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1974, the price of milk shall be supported at not less than 80 per centum of the parity price therefor."

Transfer of Dairy Products to the Military and to Veterans Hospitals

(4) Section 203 is amended by striking out "1973" and inserting "1978".

Dairy Indemnity Program

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1978"; and

(B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

"'SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.'"

Dairy Import Limitation

(6) Title II is amended by adding at the end thereof the following:

"DAIRY IMPORTS

"SEC. 205. Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is amended by adding at the end thereof the following:

"(g) Notwithstanding any other provision of law, the President shall prohibit imports of dairy products for food use in excess of 2 per centum of the total annual consumption of dairy products for food use in the preceding calendar year, except that the President may increase the total quantity permitted to be imported if he determines and proclaims that such increase is required by overriding economic or national security interests of the United States. The President is authorized to provide that dairy products may be imported only by or for the account of a person or firm to whom a license has been issued by the Secretary of Agriculture. In issuing a license for any increase in the quantity permitted to be imported under this section during any period after the enactment of the Agriculture and Consumer Protection Act of 1973, the Secretary shall make licenses available to domestic producers and processors for a limited time before issuing licenses to others. For purposes of this subsection, dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) casein, caseinates, lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) industrial casein, industrial caseinates, or any other industrial product, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles provided that dairy products in any form, in any such article are not commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food product."

Wool Program

(7) Section 301 is amended by—

(A) striking out "1973" each place it occurs and inserting "1978", and by striking out the word "three" each place it occurs; and

(B) adding at the end thereof the following:

"(6) Strike out the first sentence of section 708 and insert the following: 'The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States.'."

Wheat Production Incentives

(8) Section 401 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978"; and, effective beginning with the 1974 crop—

(A) substituting the word "payments" for the word "certificates" in section 107(b);

(B) striking the quotation mark at the end of section 107(b); and

(C) adding at the end of the section the following:

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop

is less than the established price of $2.28 per bushel, adjusted for each of the 1975 through 1978 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates, times (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. If the Secretary determines that the producers are prevented from planting any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis."

Termination of Wheat Certificate Program, Farm Acreage Allotments

(9) Section 402 is amended by inserting "(a)" after the section designation and adding the following at the end of the section:

"(b)(A) Section 379b of the Agricultural Adjustment Act of 1938 (which provides for a wheat marketing certificate program) shall not be applicable to the 1974 through 1978 crops of wheat, except as provided in paragraphs (B) and (C) of this subsection.

"(B) Section 379b(c) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section (which provides for a set-aside program), shall be effective with respect to the 1974 through 1978 crops of wheat with the following changes:

"(i) The phrase 'payments authorized by section 107(c) of the Agricultural Act of 1949' shall be substituted for the word 'certificates' and the phrases 'certificates authorized in subsection (b)' and 'marketing certificates' each place they occur.

"(ii) The word 'domestic' shall be stricken each place it occurs.

"(iii) '1972 through 1978 crops' shall be substituted for '1972 or 1973 crop' in section 379b(c)(1).

"(iv) The third sentence in 379b(c)(1) is amended to read as follows: 'The Secretary is authorized for the 1974 through 1978 crops to limit the acreage planted to wheat on the farm to a percentage of the acreage allotment.'

"(v) '1971 through 1978' shall be substituted for '1971, 1972, and 1973' each place it occurs other than in the third sentence of section 379b(c)(1).

"(C) Section 379b (d), (e), (g), and (i) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section, shall be effective for the 1974 through 1978 crops amended to read as follows:

"'(d) The Secretary shall provide for the sharing of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"'(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"'(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"'(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.'

"(D) Section 379c of the Agricultural Adjustment Act of 1938, effective only with respect to the 1974 through 1978 crops of wheat, is amended to read as follows:

"'SEC. 379c. (a)(1) The farm acreage allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim the national acreage allotment not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. Such national allotment shall be the number of acres he determines on the basis of the estimated national average yield for the crop for which the determination is being made will produce the quantity (less imports) that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. The national acreage allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national acreage allotment for the preceding crop (1973 national domestic allotment in the case of apportionment of the 1974 national acreage allotment) adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm acreage allotments, and other relevant factors.

"'(2) The State acreage allotment for wheat, less a reserve of not to exceed 1 percentum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm allotments, and other relevant factors.

"'(3) The farm allotment for each crop of wheat shall be determined by apportioning the county wheat allotment among farms in the county which had a wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm allotment shall be adjusted downward to the extent required by subsection (b).

"'(4) Not to exceed 1 per centum of the State allotment for any crop may be apportioned to farms for which there was not allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"'(5) The planting on a farm of wheat of any crop for which no farm allotment was established shall not make the farm eligible for an allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"'(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"'(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm allotment, the farm allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm allotment, but such reduction shall not exceed 20 per centum of the farm allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has an allotment, such farm shall lose its allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans, feed grains for which there is a set-aside program in effect, guar, castor beans, or such other crops as the Secretary may deem appropriate considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"'(2) Notwithstanding the provisions of subsection (b)(1), no farm allotment shall be reduced or lost through failure to plant the farm allotment, if the producer elects not to receive payments for the portion of the farm allotment not planted, to which he would otherwise be entitled under the provisions of section 107(c) of the Agricultural Act of 1949.'"

Repeal of Processor Certificate Requirement

(10)(A) Section 403 is amended by inserting "(a)" after the section designation and by inserting at the end thereof the following:

"(b) Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processed or exported during the period beginning on the date of enactment of the Agriculture and Consumer Protection Act of 1973 through June 30, 1979."

(B) The Secretary of Agriculture is authorized to issue such rules and regulations as he deems necessary to achieve a prompt and effective implementation of the amendment made by subparagraph (A) of this paragraph, and to guarantee that the amounts which a producer would have realized under law for the 1973 crop of wheat from the sale of his farm domestic allotment of wheat in the absence of the changes relating to marketing certificate requirements made by the Agriculture and Consumer Protection Act of 1973 shall be paid to such producer as if such changes had not been made.

Suspension of Wheat Marketing Quotas

(11) Section 404 is amended by striking "1971, 1972, and 1973" wherever it appears and inserting "1971 through 1978", and by striking "1972 and 1973" and inserting "1972 through 1978".

State Agency Allotments, Proven Yields

(12) Section 405 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978"; by repealing paragraph (2) effective with the 1974 crop; by inserting "(a)" after the section designation; by changing the period and quotation mark at the end of the section to a semicolon; and by adding at the end of the section the following:

"(b) Effective only with respect to the 1974 through 1978 crops, section 708 of Public Law 89-321 is amended by inserting before the period at the end thereof a comma and the following: 'but this sentence shall not be applicable to wheat'."

Suspension of Quota Provisions

(13) Section 406 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978".

Reductions in Wheat Stored To Avoid Penalty

(14) Section 407 is amended to read as follows:

"SEC. 407. The amount of any wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop of wheat may be reduced after the date of enactment of the Agriculture and Consumer Protection Act of 1973 without penalty of any kind."

Application of the Agricultural Act of 1949

(15) Section 408 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978".

Commodity Credit Corporation Sales Price Restrictions

(16) Section 409 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978".

Set-Aside on Summer Fallow Farms

(17) Section 410 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978".

Feed Grains

(18) Section 501 is amended by—

(A) striking out that portion which precedes the first colon and inserting the following:

"SEC. 501. (a) Effective only with respect to the 1971 through 1978 (1971 through 1973 in the case of subsection (b)) crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows:",

(B) adding at the end thereof the following:

"(b) Effective only with respect to the 1974 through 1978 crops of feed grains, section 105(b) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"'(b)(1) In addition, the Secretary shall

make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley, computed by multiplying (1) the payment rate, times (2) the allotment for the farm for such crop, times (3) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The payment rate for corn shall be the amount by which the higher of—

"'(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"'(2) the loan level determined under section (a) for such crop

is less than the established price of $1.53 per bushel, adjusted for each of the 1975 through 1978 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that the producers on a farm are prevented from planting any portion of the farm acreage allotment to feed grains or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.

"'(2) The Secretary shall, prior to January 1 of each calendar year, determine and proclaim for the crop produced in such calendar year a national acreage allotment for feed grains, which shall be the number of acres he determines on the basis of the estimated national average yield of the feed grains included in the program for the crop for which the determination is being made will produce the quantity (less imports) of such feed grains that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of any of the feed grains are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the feed grain allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. State, county, and farm feed grain allotments shall be established on the basis of the feed grain allotments established for the preceding crop (for 1974 on the basis of the feed grain bases established for 1973), adjusted to the extent deemed necessary to establish a fair and equitable apportionment base for each State, county, and farm. Not to exceed 1 per centum of the State feed grain allotment may be reserved for apportionment to new feed grain farms on the basis of the following factors: suitability of the land for production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or contributed by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain allotments.

"'(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the feed grain allotment for the farm, the feed grain allotment for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than the feed grain allotment for the farm, but such reduction shall not exceed 20 per centum of the feed grain allotment. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain allotment, such farm shall lose its feed grain allotment: *Provided*, That no farm feed grain allotment shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain allotment not planted, to which he would otherwise be entitled under the provisions of this Act. Producers on any farm who have planted to such feed grains not less than 90 per centum of the feed grain allotment shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans, wheat, guar, castor beans, or such other crops as the Secretary may deem appropriate, considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the feed grain of soybean program.'.",

(C) striking out "1971, 1972, 1973" where it appears in that part which amends section 105(c)(1) of the Agricultural Act of 1949 and inserting "1971 through 1978", and by striking out the word "base" in the second sentence and substituting the word "allotment".

(D) amending the third sentence of section 105(c)(1) to read as follows: "The Secretary is authorized for the 1974 through 1978 crops to limit the acreage planted to feed grains on the farm to a percentage of the farm acreage allotment.",

(E) striking out paragraphs (1) and (3) of subsection (e), all but the first sentence of paragraph (2) of subsection (e), and all of subsection (g).

Suspension of Marketing Quotas for Cotton, Minimum Base Acreage Allotment

(19) Section 601 is amended by—

(A) striking out "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1978",

(B) striking "1970, 1971, and 1972" from paragraph (2) and inserting "1970 through 1977",

(C) striking "1974" from paragraph (3)(1) and inserting "1979", and by striking "1972 and 1973" from paragraph (4) and inserting "1972 through 1978",

(D) effective beginning with the 1974 crop, adding at the end of section 350(a) in paragraph (4) of section 601 the following: "The national base acreage allotment for the 1974 through 1978 crops shall not be less than ten million acres.",

(E) effective beginning with the 1974 crop, striking "soybeans, wheat or feed grains" from the last sentence of section 350(e)(2) in paragraph (4) of section 601 and inserting "soybeans, wheat, feed grains, guar, castor beans, or such other crops as the Secretary may deem appropriate".

Cotton Production Incentives

(20) Section 602 is amended by—

(A) striking "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1978", by striking "the 1972 or 1973 crop" where it appears in that part amending section 103(e)(1) of the Agricultural Act of 1949 and inserting "any of the 1972 through 1978 crops", and by striking out "acreage world price" in that part amending section 103(e)(1) of the Agricultural Act of 1949, and substituting "average world price";

(B) in that part amending section 103(e)(1) of the Agricultural Act of 1949 striking out "two-year period" wherever it appears therein and substituting "three-year period"; by striking out "Middling one-inch" and substituting "Strict low middling one and one-sixteenth inches"; and by striking out that part beginning with "except that" in the first sentence and substituting "except that the Secretary shall make such adjustments as are necessary to keep United States upland cotton in line with average world prices and retain an adequate share of the world market for such cotton.";

(C) effective, beginning with the 1974 crop, amending section 103(e)(2) of the Agricultural Act of 1949, as it appears in such section 602 to read as follows:

"(2) Payments shall be made for each crop of cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(1) the national average market price for Strict low middling one and one-sixteenth inches cotton (micronaire 3.5 through 4.9) in the designated spot markets during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under paragraph (1) for such crop

is less than the established price of 43 cents per pound adjusted for each of the 1975 through 1978 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates. If the Secretary determines that the producers on a farm are prevented from planting any portion of the allotment to cotton or a nonconserving crop, because of drought, flood, or other natural disaster, or condition beyond the control of the producer, the rate of payment for such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3)."

(D) effective, beginning with the 1974 crop, amending the third sentence of section 103(e)(4)(A) of the Agricultural Act of 1949, as it appears in such section 602 to read as follows: "The Secretary is authorized for the 1974 through 1978 crops to limit the acreage planted to upland cotton on the farm in excess of the farm base acreage allotment to a percentage of the farm base acreage allotment".

Commodity Credit Corporation Sales Price Restrictions for Cotton

(21) Section 603 is amended by striking out "1974" and inserting "1979", and by striking out "Middling one-inch" and inserting "Strict low middling one and one-sixteenth inches".

Miscellaneous Cotton Provisions

(22) Sections 604, 605, 606, 607, and 608 are each amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1978".

Cotton Market Development

(23) Section 610 is amended by striking out "1972 and 1973" and inserting "1972 through 1978".

Cotton Insect Eradication

(24) Title VI is amended by adding at the end thereof the following:

"SEC. 611. Section 104 of the Agricultural Act of 1949, as amended, is amended by adding a new subsection (d) as follows:

"'(d) In order to reduce cotton production costs, to prevent the movement of certain cotton plant insects to areas not now infested, and to enhance the quality of the environment, the Secretary is authorized and

directed to carry out programs to destroy and eliminate cotton boll weevils in infested areas of the United States as provided herein and to carry out similar programs with respect to pink bollworms or any other major cotton insect if the Secretary determines that methods and systems have been developed to the point that success in eradication of such insects is assured. The Secretary shall carry out the eradication programs authorized by this subsection through the Commodity Credit Corporation. In carrying out insect eradication projects, the Secretary shall utilize the technical and related services of appropriate Federal, State, and private agencies. Producers and landowners in an eradication zone, as established by the Secretary, and who are receiving benefits from any program administered by the United States Department of Agriculture, shall, as a condition of receiving or continuing any such benefits, participate in and cooperate with the eradication project, as specified in regulations of the Secretary. Where special measures deemed essential to achievement of the eradication objective are taken by the project and result in a loss of production and income to the producer, the Secretary shall provide reasonable and equitable indemnification from funds available for the project, and also provide for appropriate protection of the allotment, acreage history, and average yield for the farm. The cost of the program in each eradication zone shall be determined, and cotton producers in the zone shall be required to pay up to one-half thereof, with the exact share in each zone area to be specified by the Secretary upon his finding that such share is reasonable and equitable based on population levels of the target insect and the degree of control measures normally required. Each producer's pro rata share shall be deducted from his cotton payment under this Act or otherwise collected, as provided in regulations of the Secretary. Insofar as practicable, cotton producers and other persons engaged in cotton production in the eradication zone shall be employed to participate in the work of the project in such zone. Funding of the program shall be terminated at such time as the Secretary determines and reports to the Congress that complete eradication of the insects for which programs are undertaken pursuant to this subsection has been accomplished. Funds in custody of agencies carrying out the program shall, upon termination of such program, be accounted for to the Secretary for appropriate disposition.

" 'The Secretary is authorized to cooperate with the Government of Mexico in carrying out operations or measures in Mexico which he deems necessary and feasible to prevent the movement into the United States from Mexico of any insects eradicated under the provisions of this subsection. The measure and character of cooperation carried out under this subsection on the part of the United States and on the part of the Government of Mexico, including the expenditure or use of funds made available by the Secretary under this subsection, shall be such as may be prescribed by the Secretary. Arrangements for the cooperation authorized by this subsection shall be made through and in consultation with the Secretary of State.'."

Public Law 480

(25) Section 701 is amended by striking out "1973" and inserting "1978"; and title VII is further amended by adding at the end thereof the following:

"SEC. 703. Section 102 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by deleting the language that follows the first colon and changing the colon to a period.

"SEC. 704. Section 103 of such Act is amended by—

"(a) adding immediately before the semicolon at the end of subsection (d) a period and the following: 'Notwithstanding any other provisions of law, the President may enter into a sales agreement for dollars under title I of this Act with a country with which such agreement may not otherwise be concluded if assistance in any form may be made available under title II of this Act: *Provided,* That the President finds with respect to each such sales agreement, and so informs the Senate and the House of Representatives of the reasons therefor, that the making of each such agreement would be in the national interest of the United States, and publishes such findings and the reasons therefor in the Federal Register';

"(b) inserting before the semicolon at the end of subsection (o) the following: 'and that commercial supplies are available to meet demands developed through programs carried out under this Act. In order to further stimulate exports and to facilitate conversion of concessional sales and donations under this Act to cash dollar sales, applications by recipient countries for participation in programs under this Act shall include considerations of supplementary cash dollar sales at that time or in the future'.

"SEC. 705. (a) Subsection (c) of section 104 of such Act is repealed.

"(b) Subsection (b) of section 106 of such Act is amended by adding at the end thereof the following: 'No agreement entered into under this Act with any foreign country shall provide or require that foreign currencies accruing to the United States under this Act be used for the purpose of procuring for such country any equipment, materials, facilities, or services for any military or defense purpose (including internal security purposes).' "

Beekeeper Indemnities

(26) Section 804 is amended by striking out "December 31, 1973" and inserting "December 31, 1978."

Miscellaneous Provisions

(27) Add at the end of title 8 the following:

"SEC. 807. Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended to read as follows:

" '(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities: *Provided,* That any application for subsidies under this or any other Act for the exportation of any agricultural commodity must specify the kind, class, and quantity of the commodity and the regional geographic destination. Such information shall be published by the Secretary in the Federal Register and disseminated to appropriate news media within seventy-two hours after such application is filed.'

"SEC. 808. The Food Stamp Act of 1964, as amended, is amended—

"(a) 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 professional trained social worker."

"(b) 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, 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 liquid and nonliquid assets, established by the Secretary be less than $3,000 for each individual sixty years of age or over. 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 eligibile 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.'

"(c) 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 due to disease or some organic difficulty by such amount as the Secretary shall establish for each such person in order to assure a nutritionally adequate diet.'

"(d) 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 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 thirty 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 thirty 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 migrant (as defined in

42 U.S.C. 242h) household earned on a seasonal basis shall be average 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. 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.'

"(e) 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.'

"(f) 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).

"(g) by adding at the end of subsection (h) of section 10, the following: "Subject to such terms and conditions as may be prescribed by the Secretary, in the regulations issued pursuant to this Act, members of an eligible household who are sixty years of age or over or elderly persons and their spouses may also use coupons issued to them to purchase meals prepared by senior citizens' centers, apartment buildings occupied primarily by elderly persons, any public or nonprofit private school which prepares meals especially for elderly persons, any public or nonprofit private eating establishment which prepares meals especially for elderly persons during special hours, and any other public and nonprofit private establishment approved for such purpose by the Secretary. 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 sixty years of age or over or elderly persons and their spouses to use coupons issued to them to purchase such meals.'

"(h) 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.'

"(i) 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 semiannually 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 August 1, 1973, and shall incorporate the changes in the prices of food through April 30, 1973.'

"(j) by adding at the end thereof a new section as follows:

"'AUTHORITY OF CERTAIN ELIGIBLE HOUSEHOLDS IN ALASKA TO USE COUPONS FOR THE PURCHASE OF HUNTING AND FISHING EQUIPMENT EXCEPT FIREARMS, AMMUNITION, AND OTHER EXPLOSIVES

"'SEC. 17. Notwithstanding any other provision of this Act, members of eligible households living in the State of Alaska shall be permitted, in accordance with such rules and regulations as the Secretary may prescribe, to purchase hunting and fishing equipment except firearms, ammunition, and other explosives, with coupons issued under this Act if the Secretary determines that (1) such households are located in an area of the State which makes it extremely difficult for members of such households to reach retail food stores, and (2) such households depend to a substantial extent on hunting and fishing for subsistence purposes.'

"SEC. 809. The first sentence of section 305 of the Consolidated Farm and Rural Development Act is amended by striking out 'against the farm or other security' and inserting 'of the borrower under such sections'.

"SEC. 810. The Secretary of Agriculture, in cooperation with the land grant colleges, commodity organizations, general farm organizations, and individual farmers, shall conduct a cost of production study of the wheat, feed grain, cotton, and dairy commodities under the various production practices and establish a current national weighted average cost of production. This study shall be updated annually and shall include all typical variable costs, a return on fixed costs equal to the existing interest rates charged by the Federal Land Bank, and return for management comparable to the normal management fees charged by other comparable industries. These studies shall be based upon the size unit that requires one man to farm on a full-time basis.

"SEC. 811. (a) The Secretary of Agriculture is authorized and directed to carry out a comprehensive study and investigation to determine the reasons for the extensive loss of livestock sustained each year, through injury and disease, while such livestock is being transported in interstate commerce for commercial purposes. The Secretary is also authorized and directed to conduct, in connection with such study and investigation, an intensive research program for the purpose of developing measures that can be taken to reduce materially the number of animals lost, through injury and disease, during transportation for commercial purposes.

"(b) The Secretary of Agriculture shall submit to the Congress not more than four years after the date of enactment of this section a final report on the results of his study and investigation and research together with such recommendations for administrative and legislative action as he deems appropriate. He shall submit such interim reports to the Congress as he deems advisable, but at least one at the end of each twelve-month period following the date of enactment of this section.

"(c) There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $500,000 in any fiscal year.

"SEC. 812. (a) The President is hereby authorized to, and it is hereby recommended that he, take such action as necessary to initiate the convening of a conference of the countries of the world on the conduct of trade in grains and products of grains with the object of negotiating an international agreement on grains by July 1, 1974. Specific

efforts should be made to secure the participation in such conference and the agreement resulting therefrom of all major grain exporting and importing countries including the Soviet Union and the People's Republic of China.

"(b) Elements to be addressed in the conference and to be sought through negotiation in an international grains agreement should include maximum and minimum price levels, supply and import commitments, rules on the disposal or stockpiling of surplus domestic production, limitations on the use of export subsidies, provisions for cooperation among countries in managing the supplies put onto the market, provisions on world production and trade in grains, world grains reserve subject to international supervision to assure importers of the ability of exporters to meet their supply commitments, and national grains reserves under national control to provide for national emergencies, price stability, and other purposes.

"(c) Pursuant to the constitutional authority and responsibility of the Congress 'to regulate commerce with foreign nations,' it is recommended that the President report to the committees dealing with agricultural matters and other appropriate committees of both Houses of the Congress within ninety days of the effective date of the Agriculture and Consumer Protection Act of 1973 and at intervals of not less than ninety days thereafter regarding the progress of his efforts to achieve the convening of a conference as provided herein, and not later than the tenth day of each month when Congress is in session and an international conference convened pursuant to this section is underway concerning the progress of negotiations. It is recommended that the President accredit a designee of each of the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry as an observer-delegate on the delegation of the United States in any such international conference, and that such designees be accorded full access to all background and other information used by the United States delegation in determining its negotiating position and conducting negotiations, and be admitted to all meetings of the United States' delegation and to all proceedings of the international conference.

"SEC. 813. There is hereby created a National Agricultural Transportation Committee to be composed of the Secretary of Agriculture, as Chairman, the Director of the Office of Emergency Preparedness (or successor agency), and the Chairman of the Interstate Commerce Commission, or their designees, and a representative of each of the following: National Grain and Feed Association, National Council of Farmer Cooperatives, Forest Industries Council, Association of American Railroads, the United Transportation Union, the International Longshoremen's Association and the American National Cattleman's Association.

"Upon written request of two or more members the Secretary of Agriculture shall call a meeting of the Committee to determine if an emergency exists with regard to the transportation of agricultural commodities (including wood products). If the Committee finds, by majority vote, that such emergency exists it shall make such recommendations as it deems appropriate to executive departments and agencies and to the Congress to alleviate such emergency and to insure that movement of non-Government-owned stocks receive priority with respect to available transportation facilities.

"SEC. 814. In order to reduce fertilizer and herbicide usage in excess of production needs, to develop wheat and feed grain varieties more susceptible to complete fertilizer utilization, to improve the resistance of wheat and feed grain plants to disease and to enhance their conservation and environmental qualities, the Secretary of Agriculture is authorized and directed to carry out regional and national research programs.

"In carrying out such research, the Secretary shall utilize the technical and related services of the appropriate Federal, State, and private agencies. The Secretary shall establish a Wheat and Feed Grain Research Committee to assist in establishing research priorities. Committee members will be bona fide producers who receive a substantial portion of their income from wheat or feed grain and have previous experience in allocating research funds from Federal, State, and private sources.

"There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $500,000 in any fiscal year.

"SEC. 815. The Department of Agriculture shall provide technical support to exporters and importers of United States agricultural products when so requested. Such support shall include, but not be limited to, a review of the feasibility of the export proposal, adequacy of sources of supply, compliance with trade regulations of the United States and the importing country and such other information or guidance as may be needed to expand and expedite United States agricultural exports by private trading interests.

"All exporters of wheat and wheat flour, feed grains, oil seeds and products thereof, produced in the United States shall, within seventy-two 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 on this section shall be subject to penalties not to exceed $25,000 or one year in jail, or both.

"The Department shall organize an agricultural export market development unit within the Foreign Agricultural Service, whose function shall be to initiate and to provide guidance, cooperation, and support for agricultural export market development.

"For this purpose, there is authorized to be appropriated not more than $350,000 in the fiscal year ending June 30, 1974; $350,000 for the fiscal year ending June 30, 1975; and $350,000 for the fiscal year ending June 30, 1976. The sums so appropriated shall remain available until expended.

"SEC. 816. (a) The Council of Economic Advisers (hereinafter referred to as the 'Council') shall monitor and analyze all developments that occur, including any developments that the Council anticipates may occur, that may affect the ultimate cost of food and fiber to the American consumer, and shall submit written reports quarterly to the President and the Congress regarding such developments.

"(b) In addition to the regular quarterly reports required under subsection (a), the Council shall submit special interim reports to the President and the Congress at any time any major development occurs that is likely to affect the consumer price of food or fiber.

"(c) Upon the request of any committee of either House of Congress, the Council shall promptly submit a report analyzing any particular development or event which such committee believes may have a significant bearing on the price of food or fiber.

"(d) In analyzing and reporting on any development or event pursuant to the foregoing provisions of this section, the Council shall include in such report its estimate of any cost changes that will likely occur as the result of such development or event in the hypothetical food market basket computed periodically by the Department of Agriculture.

"SEC. 817. (a) Section 401 of the Rural Development Act of 1972 (86 Stat. 670) is amended by substituting the words 'fire' and 'fires' for the words 'wildfire' and 'wildfires', respectively, wherever such words appear.

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

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

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

"(d) Section 306(a) of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following:

"'(13)(A) The Secretary, under such reasonable rules and conditions as he shall establish, shall make grants to eligible volunteer fire departments for up to 50 per centum of the cost of firefighting equipment needed by such departments but which such departments are unable to purchase through the resources otherwise available to them, and for the cost of the training necessary to enable such departments to use such equipment efficiently.

"'(B) For the purposes of this subsection, the term "eligible volunteer fire department" means any established volunteer fire department in a rural town, village, or unincorporated area where the population is less than two thousand but greater than two hundred, as reasonably determined by the Secretary.'

"SEC. 818. Section 310B(d) of subtitle A of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following:

"'(4) No loan authorized to be made under this section, section 304, or section 312 shall require or be subject to the prior approval of any officer, employee, or agency of any State.

"'(5) No loan commitment issued under this section, section 304, or section 312 shall be conditioned upon the applicant investing in excess of ten per centum in the business or industrial enterprise for which purpose the loan is to be made unless the Secretary determines there are special circumstances which necessitate an equity investment by the applicant greater than ten per centum.'

"SEC. 819. (a) The Congress hereby specifically affirms the long-standing national policy to protect, preserve, and strengthen the family farm system of agriculture in the United States and believes that the maintenance of that system is essential to the social well-being of the Nation and the competitive production of adequate supplies of food and fiber. The Congress further believes that any significant expansion of large-scale corporate and vertically integrated farming enterprises would be detrimental to the national welfare. It is not the policy of the Congress that agricultural and agriculture related programs be administered exclusively for family farm operations, but it is the policy and express intent of the Congress that no such program be administered in a manner that will place the family farm operation at an economic disadvantage.

"(b) In order that the Congress may be better informed regarding the status of the family farm system in the United States, the Secretary of Agriculture shall submit to the Congress not later than July 1 each year a written report containing current information on trends in family farm operations and comprehensive National and State-by-State data on corporate and vertically integrated agricultural operations in the United States. The Secretary shall also include in each such report (1) information as to how existing

agriculture and agriculture related programs are being administered so as to protect, preserve, and strengthen the family farm system of agriculture in the United States, (2) an assessment of how Federal laws, including the tax laws, may be serving to encourage the growth of large-scale corporate and vertically integrated farming operations, and (3) such other information as the Secretary deems appropriate or determines would aid the Congress in protecting, preserving, and strengthening the family farm system of agriculture in the United States.

"SEC. 820. (a) The Secretary of Agriculture hereinafter in this section referred to as the 'Secretary') may enter into multiyear set-aside contracts for a period not to exceed beyond the 1978 crop. Such contract may be entered into only as a part of the programs in effect for wheat, feed grains, and cotton for the years 1974 through 1978, and only producers participating in one or more of such programs shall be eligible to contract with the Secretary under this section. Any producer entering into a multiyear set-aside agreement shall be required to devote specified acreage on the farm to a vegetative cover that is capable of maintaining itself throughout the contract period and providing soil protection, water quality enhancement, wildlife production, and natural beauty.

"(b) The Secretary shall provide cost-sharing incentives to farm operators for such cover establishment on all or a portion of the set-aside base whenever a multiyear contract is entered into as provided in subsection (a).

"(c)(1) The Secretary shall appoint an advisory board in each State to advise the State committee of that State (established under section 8(b) of the Soil Conservation and Domestic Allotment Act) regarding the types of conservation measures that should be approved for purposes of subsections (a) and (b). The Secretary shall appoint at least six indivduals to the advisory board of each State who are especially qualified by reason of education, training, and experience in the fields of agriculture, soil, water, wildlife, fish, and forest management. The advisory board appointed for any State shall meet at least once each calendar year.

"(2) The Secretary, through the establishment of a National Advisory Board to be named by him in consultation with the Secretary of Interior shall seek the advice and assistance of the appropriate officials of the several States in developing the wildlife phases of the program provided for under this subsection, especially in developing guidelines for (A) providing technical assistance for wildlife habitat improvement practices, (B) evaluating effects on surrounding areas, (C) considering esthetic values, (D) checking compliance by cooperators, and (E) carrying out programs of wildlife management on the acreage set aside.

"(d) The eighteenth sentence of section 8(b) of the Soil Conservation and Domestic Allotment Act is amended to read as follows: 'The State director of the Agricultural Extension Service and the State director of Wildlife Resources (or comparable officer), or his designee, shall be ex officio members of such State committee.'

"SEC. 821. (a) The first sentence of section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended to read as follows: 'In the case of specific projects for works for the collection, treatment, or disposal of waste in rural areas, the Secretary is authorized and, in the case of specific projects for works for the development, storage, treatment, purification, or distribution of water, the Secretary is authorized and directed to make grants in amounts specified in appropriation Acts aggregating not to exceed $50,000,000 in any fiscal year to such associations to finance such projects.'

"(b) Section 306(a)(6) of such Act (7 U.S.C. 1926(a)(6)) is amended to read as follows:

"'(6) In the case of waste disposal systems in rural areas, the Secretary is authorized and, in the case of water systems, the Secretary is authorized and directed to make grants in amounts specified in appropriation Acts not exceeding $5,000,000 in any fiscal year to public bodies or such other agencies as the Secretary may determine having authority to prepare comprehensive plans for the development of such systems.'

"SEC. 822. 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.

"SEC. 823. Notwithstanding any other provision of law, the Secretary of Commerce shall conduct a census of agriculture in 1974 as required by section 142 of title 13, United States Code, and shall submit to the Congress, within thirty days after the date of enactment of the Agriculture and Consumer Protection Act of 1973, an estimate of the funds needed to conduct such census."

Forestry Incentives

(28) The following new title is added after title IX:

"TITLE X—FORESTRY INCENTIVES

"SEC. 1001. This title may be cited as the 'Forestry Incentives Act of 1973'.

"SEC. 1002. (a) Congress hereby declares that the Nation's growing demands on forests and related land resources cannot be met by intensive management of Federal lands and industrial forests alone; that the two hundred and ninety-six million acres of nonindustrial private land and twenty-nine million acres of non-Federal public forest land contain 65 per centum of the Nation's total forest resource base available to provide timber, water, fish and wildlife habitat, and outdoor recreation opportunities; that the level of protection and management of such forest lands has historically been low; that such lands can provide substantially increased levels of resources and opportunities if judiciously managed and developed; that improved management and development of such lands will enhance and protect environmental values consistent with the National Environmental Policy Act of 1969 (83 Stat. 852); and that a forestry incentives program is necessary to supplement existing forestry assistance programs to further motivate, encourage, and involve the owners of small nonindustrial private forest lands and the owners of non-Federal public forest lands in actions needed to protect, develop, and manage their forest lands at a level adequate to meet emerging national demands.

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

"SEC. 1003. The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is hereby authorized and directed to develop and carry out a forestry incentives program to encourage the protection, development, and management of small nonindustrial private lands and non-Federal public forest lands. The purposes of such a program shall be to encourage landowners to apply practices which will provide for the afforestation of nonforest lands and reforestation of cut-over and other nonstocked and understocked forest lands, and for intensive multiple-purpose management and protection of forest resources to provide for production of timber and other benefits, for protection and enhancement of recreation opportunities and of scenic and other environmental values, and for protection and improvement of watersheds, forage values, and fish and wildlife habitat.

"SEC. 1004. (a) To effectuate the purposes of the forestry incentives program authorized by this title, the Secretary shall have the power to make payments or grants of other aid to the owners of small nonindustrial private forest lands and the owners of non-Federal public forest lands in providing practices on such lands which carry out the purposes of the forestry incentives program. No one small nonindustrial private forest landowner shall receive an annual payment in excess of $2,500 under this title.

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

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

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

"SEC. 1005. The Secretary shall consult with the State forester or other appropriate official of each State in the conduct of the forestry incentives program provided for in this title. Federal assistance under this title shall be extended in accordance with such terms and conditions as the Secretary deems appropriate to accomplish the purposes of this title. Funds made available under this title may be utilized for providing technical assistance to and encouraging non-Federal public landowners, the owners of small nonindustrial private forest lands, nonprofit groups, individuals, and public bodies in initiating practices which further the purposes of this ttile. The Secretary shall coordinate the administration of this title with other related programs and shall carry out this title in such a manner as to encourage the utilization of private agencies, firms, and individuals furnishing services and materials needed in the application of practices included in the forestry incentive program.

"SEC. 1006. There are authorized to be appropriated annually an amount not to exceed $25,000,000 to carry out the provisions of this title. Such funds shall remain available until expended."

Rural Environmental Assistance Program

(29) The second paragraph of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, is amended to read as follows:

"Notwithstanding any other provision of law, payments made pursuant to the authority granted under this Act shall be made only for the construction of permanent dams, terraces, ponds, waterways, and other soil-conserving facilities and measures of a similar type that are permanent in nature (including measures to establish permanent erosion control cover), and which are approved by the soil conservation district in consultation with the appropriate local or county committee. No payment under this section shall exceed an amount equal to 50 per centum of the total cost of the facility, excluding the cost of the land. Payments under this section may be made in periodic installments as construction is completed.".

SEC. 2. As soon as possible after the enactment of this Act hearings shall be held on the regulations contained in the Federal Register, volume 38, Number 83 (May 1, 1973), pages 10715, 10716, 10717, and all viewpoints shall be afforded an adequate opportunity to appear and testify. Findings based on these hearings shall be made and submitted to Congress. No regulations concerning this matter shall become effective until Congress has had thirty legislative days to review these findings.

SEC. 3. This Act may be cited as the "Agriculture and Consumer Protection Act of 1973".

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOSS. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I want to take this opportunity to express appreciation on behalf of the leadership to the managers of the farm bill today—Mr. TALMADGE and Mr. CURTIS—and especially do I want to express appreciation to the managers of the bill for the splendid cooperation they gave the leadership in connection with unanimous-consent agreements and the several time limit revisions that were made as the bill progressed.

I also want to express thanks to all Senators, especially those Senators who had amendments to offer, for the courtesies they extended to the leadership and for the cooperation they gave in reducing the time, repeatedly, on amendments as the day wore on.

The Senate was working under a very severe time constraint, in view of the agreement to vote on passage of the bill at 2:30 today, and all Senators were very cognizant of this and very understanding.

So, on behalf of the leadership, I want to thank all Senators for their excellent understanding and cooperation in connection with these various consent orders. But for these, it would have been impossible to have had the vote at 2:30 and at the same time give all Senators a chance to offer amendments, with a little time in which to speak a few words thereon. As it worked out, all Senators were able to offer their amendments and make their cases and have their day in court, so to speak, and get a vote thereon.

Mr. HUMPHREY. Mr. President, I just want to take this moment, in light of the passage of the Agricultural Consumer Protection Act, to express as one member of the committee my great thanks for the invaluable cooperation and assistance of our committee staff. That staff has performed a very excellent job on all matters relating to the subject matter of the bill.

We operate pretty much on the basis of a nonpartisan staff. Every staff member makes a contribution to anyone who asks for help.

To the director of the staff and all his associates, I express my thanks. I am sure that I speak for every other member of the committee in that expression.

Mr. NUNN. Mr. President, I rise to congratulate my distinguished colleague from Georgia, the chairman of the Senate Committee on Agriculture and Forestry. I know that the Senate's passage of the Agriculture and Consumer Protection Act of 1973 represents a major milestone in the Senator's effort to secure the enactment of a good farm bill. The Senate passage of this bill is the result of efforts that the Senator began as early as December of 1972.

My distinguished colleague realized that it would be extremely difficult to secure the adoption of a good farm bill this year. Consumers are extremely concerned about high food prices and have little sympathy for the farmer who is forced to produce this food without a profit. The administration stated early that it favored phasing out farm subsidies programs. The major urban newspapers were filled with editorials urging an end to farm programs.

As the chairman told his committee at the beginning of farm bill hearings on February 27:

> Our responsibility for drafting new farm legislation this year comes at what at perhaps is the poorest psychological and political moment.

Like any good lawyer who is faced with an uphill job in proving his case, Chairman TALMADGE began early to lay his groundwork. He wrote to the Secretary of Agriculture on December 5, 1972, requesting a current analysis of the probable effect on farm income, and major groups of producers, if all price support and acreage adjustment payments were discontinued. He requested from the Library of Congress an analysis of the economic implications of allowing the expiration of the Agricultural Act of 1970. When the President stated his wishes on farm policy on February 15, the chairman secured from the Library of Congress an economic appraisal of the administration's farm policy proposals. He also secured from the committee staff an economic appraisal of the effect of the administration's farm policy proposals on Georgia.

All of these studies and analyses pointed to the same conclusion—the failure of the Congress to pass strong farm legislation would be an economic disaster for the Nation, both to the farmers and the consumers. The analysis of the impact of the administration's farm proposal on Georgia concluded:

> Abandonment of payments for cotton, feed grains, and wheat would have a severe adverse effect on the producers of these crops and if the abandonment of the peanut and tobacco programs and the dairy price support and marketing order program were also to come about, the effect on farmers in Georgia would be catastrophic. Furthermore, the effect of lowered farm income on the economies of local communities would also be devastating.

The next step in the chairman's attempt to secure passage of a good farm bill was to schedule hearings with an emphasis on hearing from the grassroots, from working dirt farmers. In 8 days of Washington hearings the committee heard from 110 public witnesses. However, in a further effort to hear from dirt farmers, the chairman encouraged members of the committee to conduct hearings in various parts of the country. The chairman himself held 2 days of hearings in Georgia during the Easter recess.

The message that the committee received was essentially the same in Washington and in various parts of the country—farmers are basically satisfied with the present program and they do not wish to see any radical changes in farm policy. The 300 witnesses that were heard by the committee represented a solid mandate for the continuation of a sound farm program.

With this solid mandate the committee began to mark up a farm bill on May 1, and completed consideration on May 9. The committee arrived at a bill which is similar to the Agricultural Act of 1970, but which has one major difference. Under the committee bill farmers will receive no payments if farm prices continue at a high level. The farm bill establishes a target price of $2.28 a bushel for wheat, $1.53 a bushel for corn, and 43 cents per pound for cotton. This target price will be adjusted each year to reflect changes in the farmers' cost of production. Therefore, if market prices remain high, the farm program will cost the government nothing. However, if prices fall, then farmers will be assured of a fair price for the commodities which are produced on their allotments. The farm bill that the Senate has passed today includes not only farm commodity programs but also such important programs as Public Law 480 and the food stamp program. It is a balanced bill, good for both the farmer and the consumer.

It is a tribute to the chairman of the Agriculture Committee and its members that this bill was reported from the committee unanimously without a taint of partisan difference. This farm bill is a tribute to the ability of Members of both political parties to work together on a nonpartisan basis for a program that is essential to the country.

As a colleague of the senior Senator from Georgia, I feel that both the State and the Nation owe the chairman of the Committee on Agriculture and Forestry a debt of gratitude in the way that he has managed to secure adoption of a sound farm program in the face of overwhelming odds. In my own State of Georgia two-thirds of the manufacturing jobs in the State are based on or related to agriculture. Even in the major metropolitan center of the State, which is Atlanta, one-third of all manufacturing jobs are based on or related to agriculture. Moreover, all Georgians are consumers and they more than anyone else profit from a sound farm program which will insure consumers a stable supply of high quality food.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period.

The message also announced that the House had passed a bill (H.R. 4443) for the relief of Ronald K. Downie, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 2246. An act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period; and

H.R. 4704. An act for the relief of certain former employees of the Securities and Exchange Commission.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. METCALF).

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk will call the roll.

Mr. MANSFIELD. 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 RONALD K. DOWNIE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of H.R. 4443 and that the passage by the Senate yesterday of S. 802 be vitiated and the bill be indefinitely postponed.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4443.

The PRESIDING OFFICER. The bill will be stated.

The assistant legislative clerk read as follows:

A bill (H.R. 4443) for the relief of Ronald K. Downie.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

Mr. MANSFIELD. Mr. President, by way of explanation, the House bill is exactly identical with the bill (S. 802), passed by the Senate on yesterday. It was just a matter of facing up to it on the most feasible basis and getting the bill passed in this fashion.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 4443) was ordered to a third reading, was read the third time, and passed.

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. MCCLURE). Pursuant to the previous order, the Senate will now go into executive session. The clerk will report the nomination.

FEDERAL POWER COMMISSION

The second assistant legislative clerk read the nomination of Robert H. Morris, of California, to be a member of the Federal Power Commission.

LEGISLATIVE SESSION

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

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

DEPARTMENT OF STATE APPROPRIATION AUTHORIZATION ACT OF 1973

The PRESIDING OFFICER (Mr. MCCLURE). Pursuant to the previous order, the Chair lays before the Senate the State Department Appropriations Authorization bill, S. 1248, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar No. 166 (S. 1248) a bill to authorize appropriations for the Department of State and for other purposes.

Thereupon, the Senate proceeded to the consideration of the bill which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Department of State Appropriations Authorization Act of 1973".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) There are authorized to be appropriated for the Department of State for the fiscal year 1974, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for the "Administration of Foreign Affairs", $277,219,500;

(2) for "International Organizations and Conferences", $211,279,000;

(3) for "International Commissions", $15,568,000;

(4) for "Educational Exchange", $59,800,000; and

(5) for "Migration and Refugee Assistance", $8,800,000.

(b) In addition to amounts otherwise authorized, there are authorized to be appropriated to the Secretary of State not to exceed $36,500,000 to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972, relating to Russian refugee assistance.

(c) Appropriations made under subsection (a) of this section are authorized to remain available until expended.

CERTAIN ADDITIONAL AUTHORIZATIONS OF APPROPRIATIONS

SEC. 3. In addition to amounts authorized by section 2 of this Act, there are authorized to be appropriated for the Department of State for fiscal year 1974 such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, or other nondiscretionary costs.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

SEC. 4. (a) Section 2(2) of the Act of September 19, 1966 (80 Stat. 808; 22 U.S.C. 277d-31), is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(b) Section 3 of the Act of August 10, 1964 (78 Stat. 386; 22 U.S.C. 277d-28), is amended by striking out "$20,000" and inserting in lieu thereof "$30,000".

(c) The last paragraph of the Act of September 18, 1964 (78 Stat. 956; 22 U.S.C. 277d-29), is amended by striking out "$23,000" and inserting in lieu thereof "$50,000".

EXTENSION OF PUBLIC LAW 92-14

SEC. 5. Section 2 of the Act entitled "An Act to authorize the United States Postal Service to receive the fee of $2 for execution of an application for a passport", approved May 14, 1971 (85 Stat. 38; Public Law 92-14), is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

SEC. 6. (a) There is established within the Department of State a Bureau of Oceans and International Environmental and Scientific Affairs. In addition to the positions provided under the first section of the Act of May 26, 1949, as amended (22 U.S.C. 2652), there shall be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, appointed by the President, by and with the advice and consent of the Senate, who shall be the head of the Bureau.

(b) Under the general direction of the Secretary of State, such Assistant Secretary of State shall have responsibility for, and there is transferred to the Assistant Secretary, those functions of the Department of State relating to oceans, environmental, scientific, fisheries, wildlife, and conservation affairs.

(c) The first section of the Act of May 26, 1949, as amended (22 U.S.C. 2652), is amended by striking out "eleven" and inserting in lieu thereof "ten".

AZORES AGREEMENT

SEC. 7. Commencing thirty days after the date of enactment of this Act, no funds may be obligated or expended to carry out the agreement signed by the United States with Portugal, relating to the use by the United States of military bases in the Azores, until the agreement, with respect to which the obligation or expenditure is to be made, is submitted to the Senate as a treaty for its advice and consent.

FOREIGN MILITARY BASE AGREEMENTS

SEC. 8. No funds may be obligated or expended to carry out any agreement entered into, or after the date of enactment of this Act, between the United States Government and the government of any foreign country (1) providing for the establishment of a military installation in that country at which units of the Armed Forces of the United States are to be assigned to duty, or (2) revising or extending the provisions of any such agreement, unless such agreement is submitted to the Senate for its advice and consent and unless the Senate gives its advice and consent to such agreement. Nothing in this Act shall be construed as authorizing the President to enter into any agreement relating to any other matter, with or without the advice and consent of the Senate.

RECOMMENDATIONS FOR PROMOTION

SEC. 9. Section 623 of the Foreign Service Act of 1946 is amended to read as follows:

"SEC. 623. (a) The Secretary shall establish, with the advice of the Board of the Foreign Service, selection boards to evaluate the performance of Foreign Service officers; and upon the basis of their findings, which except for career ambassadors and career ministers, shall be submitted to the Secretary in rank order by class or in rank order by specialization within a class, the Secretary shall make recommendations in accordance with the findings to the President for the promotion of Foreign Service officers. No person assigned to serve on any such board shall serve in such capacity for any two consecutive years.

"(b) In special circumstances, which shall be set forth by regulations, the Secretary may recommend to the President the promotion of a Foreign Service officer who has received a recommendation for a promotion by a grievance panel."

REIMBURSEMENT FOR DETAILED STATE DEPARTMENT PERSONNEL

SEC. 10. (a) An Executive agency to which any officer or employee of the Department of State is detailed, assigned, or otherwise made available, shall reimburse the Department for the salary and allowances of each such officer or employee for the period the officer or employee is so detailed, assigned, or otherwise made available. However, if the Department of State has an agreement with an Executive agency or agencies providing for the detailing, assigning, or otherwise making available, of substantially the same numbers of officers and employees between the Department and the Executive agency or agencies, and such numbers with respect to a fiscal year are so detailed, assigned, or otherwise made available, no reimbursement shall be required to be made under this section.

(b) For purposes of this section, "Executive agency" has the same meaning given the term by section 105 of title 5, United States Code.

ACCESS TO INFORMATION

SEC. 11. (a) After the expiration of any thirty-five day period which begins on the date the General Accounting Office, or any committee of Congress having jurisdiction over matters relating to the Department of State, the United States Information Agency, the Agency for International Development, the United States Arms Control and Disarmament Agency, ACTION, or the Overseas Private Investment Corporation has delivered to the office of the head of such department, agency, or corporation, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report or other material in its custody or control relating to such department, agency, or corporation, none of the funds made available to such department, agency, or corporation, shall be obligated unless and until there has been furnished to the General Accounting Office or such committee making the request as the case may be, the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested.

(b) The provisions of subsection (a) of this section shall not apply to any communication that is directed by the President to a particular officer or employee of any such department, agency, or corporation or to any communication that is directed by any such officer or employee to the President.

(c) Subsection 634(c) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "(1)"; and

(2) by striking out all after the phrase "so requested" and inserting in lieu thereof a period and the following: "The provisions of this subsection shall not apply to any communication that is directed by the President to a particular officer or employee of the United States Government or to any communication that is directed by any such officer or employee to the President."

OVERSEAS KINDERGARTEN EDUCATION ALLOWANCE

SEC. 12. Section 5924(4)(A) title 5, United States Code, is amended by inserting immediately before "elementary" the following: "kindergarten,".

REQUIREMENT FOR CONGRESSIONAL AUTHORIZATION FOR THE INVOLVEMENT OF AMERICAN FORCES IN FURTHER HOSTILITIES IN INDOCHINA, AND FOR EXTENDING ASSISTANCE TO NORTH VIETNAM

SEC. 13. Notwithstanding any other provision of law, upon enactment of this Act, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress. Notwithstanding any other provision of law, upon enactment of this Act, no funds heretofore or hereafter appropriated may be obligated or expended for the purposes of providing assistance of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized hereafter by the Congress.

LIMITATION ON PUBLICITY AND PROPAGANDA PURPOSES

SEC. 14. No appropriation made available under this Act shall be used—

(1) for publicity or propaganda purposes designed to support or defeat legislation pending before Congress; or

(2) to influence in any way the outcome of a political election.

SOUTHEAST ASIA TREATY ORGANIZATION

SEC. 15. On and after July 1, 1974, no funds authorized or appropriated under any provision of law may be obligated to pay for any assessment or contribution of the United States Government with respect to the organization established to further the provision of the Southeast Asia Collective Defense Treaty, signed at Manila on September 8, 1954.

UNITED STATES MISSION ASSISTANCE TO MEMBERS OF CONGRESS AND STAFF

SEC. 16. (a) For purposes of this section—

(1) "Member of Congress" includes a Senator or a Representative, Resident Commissioner, or Delegate of the House of Representatives; and

(2) "Congressional employee" has the same meaning given that term by section 2107 of title 5, United States Code.

(b) Any Members of Congress or congressional employee traveling in a foreign country on official business shall be—

(1) allowed access to any part of the premises of the United States diplomatic mission in that country if the Member or employee has appropriate security clearance; and

(2) provided upon request, to the maximum extent feasible, appropriate space within that mission and supplies and equipment, to conduct such official business, including appropriate, space, supplies, and equipment to keep and maintain the security of classified information.

(c) Any Member of Congress or any congressional employee traveling in a foreign country on official business shall be provided, upon request, with a copy of any instructions, requests, or information to any officer or employee of the United States Government in that country with respect to that Member or congressional employee.

COMMISSION RELATING TO FOREIGN POLICY

SEC. 17. Section 603(b) of the Foreign Relations Authorization Act of 1972 is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

CONGRESSIONAL TRAVEL ABROAD

SEC. 18. (a) Section 502(b) of the Mutual Security Act of 1954 is amended to read as follows:

"(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States, which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, and which are determined by the Secretary of the Treasury to be excess to the normal requirements of the United States, shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses. Any such excess local currencies shall not be made available (1) to defray subsistence expenses or fees of witnesses appearing before any such committee in the United States, or (2) in amounts greater than the equivalent of $75 a day for each person, exclusive of the actual cost of transportation."

(b) Appropriations made available to committees of Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, and to the Joint Committee on Atomic Energy, the Joint Economic Committee, and the Select Committees on Small Business of the Senate and House of Representatives are hereby

made available to reimburse members and employees of each such committee a per diem allowance, in lieu of actual subsistence expenses incurred, for travel outside the continental United States, Alaska, and Hawaii, in amounts not exceeding $75 a day for each member or employee, exclusive of the actual cost of transportation.

LEGAL IMPORTATION OF CHROME AND NICKEL FROM RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President, the press reports today that the United States Ambassador to the United Nations, Mr. John H. Scali, stated yesterday that the United States is in "open violation of international law" in allowing the importation of Rhodesian chrome and nickel.

Mr. President, I think that perhaps Ambassador Scali has been affected by the rarefied atmosphere of the penthouse apartment he has in the Waldorf Towers in New York City.

Mr. Scali went on, according to the news report, to say that because the United Nations Security Council resolution in 1966 had ordered an economic boycott of Rhodesia it was "legally binding on the United States."

Mr. President, let us explore that a little bit. The United Nations did decree sanctions against Rhodesia.

The President of the United States at that time, Lyndon B. Johnson, in 1967, acting on his own, without consultation with Congress, put into effect economic sanctions against that nation. The economic sanctions are in effect today, with one exception: the Congress of the United States adopted legislation which stated that the importation of a strategic material from a non-Communist country could not be denied if the same strategic material was being imported from a Communist country.

That legislation passed the Senate of the United States. It passed the House of Representatives. It was approved by the Congress of the United States, it was signed into law by the President of the United States. There has been a court test brought by various Members of the House of Representatives, seeking to have that law nullified. The courts have upheld what the Congress of the United States did.

So Congress, acting on a matter affecting our own national interest, and taking the steps prescribed under the Constitution, enacted legislation which is now a part of the law of our Nation.

One would think that the American Ambassador to the United Nations would feel an obligation to support the laws of our Nation. One would think the Ambassador to the United Nations would have an obligation to support the duly enacted laws—laws enacted by Congress, signed by the President, and approved by the courts. But now we find him making speeches in New York, saying that the U.S. Congress acted illegally. Nonsense.

Yes, I think Mr. Scali has been affected by the rarefied atmosphere of that magnificent penthouse apartment that the Government of the United States furnishes him in the Waldorf Towers in New York City.

It is interesting to note that the taxpayers of the United States pay a rent of $33,000 a year for that apartment in the Waldorf, for the American Ambassador to live there. Well, we want the American Ambassador to have good quarters. But we do not want him to be affected by the rarefied atmosphere that he finds himself in when he gets into such luxurious and sumptuous quarters.

He says the Security Council decision is legally binding on the United States. What he is saying is that the U.S. Congress must subordinate itself to any acts taken by the Security Council of the United Nations.

He must know that that is not correct. If he does not know it is not correct, he should read the laws and understand the Constitution of our Nation.

Congress did not turn over to the United Nations the right to determine what laws Congress can and cannot make. Yes, I think the American Ambassador to the United Nations should represent the people of the United States and uphold the laws of the United States while he is an Ambassador, rather than inaccurately to condemn Congress and condemn the President, who signed the bill into law.

Another aspect worth considering is that the legislation which the American Ambassador, Mr. Scali, condemns was approved by Members of Congress from 46 of the 50 States. Senators and Representatives from 46 of the 50 States taken together supported the legislation which Ambassador Scali says is illegal. Congress did not turn over to Ambassador Scali the determination of what is legal and what is illegal.

I happen to be a supporter of the United Nations. I returned to San Francisco in 1945, when the United Nations was being formed. I came back from the Pacific—Okinawa—as a naval officer. I held high hopes that the world organization being formed in 1945 in San Francisco would bring about world peace.

Things have changed greatly since then. At that time 51 nations were members of the United Nations, all of them having a long history of established government. Now, 132 nations are members, most of them having had very little experience in self-government, and very few of them being in a position to attempt to tell the rest of the nations of the world how to handle their own problems.

Be that as it may, it is discouraging to me when the American Ambassador to the United Nations makes a public speech in New York, saying that Congress acted illegally in passing legislation affecting its own domestic problems, its own domestic needs.

The first obligation of the Congress of the United States is to the people of the United States. The first obligation of our Ambassador to the United Nations is to support the laws of the United States.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCLURE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATO AND OUR ADVERSE BALANCE OF PAYMENTS

Mr. HARRY F. BYRD, JR. Mr. President, I note in the public press today that James R. Schlesinger, Secretary of Defense-designate, in a statement in Brussels, said that the stationing of American troops in Europe costs the U.S. balance of payments about $1.5 billion annually.

To phrase it another way, Secretary of Defense-designate Schlesinger says that our NATO commitments mean that we have an adverse balance of payments, as a result of our troops being there, of $1.5 billion annually.

I invite the attention of the Senate to that figure because Mr. Schlesinger's predecessor, former Secretary of Defense Elliot Richardson, in testimony before the Armed Services Committee about 6 weeks ago, replied in answer to a question which I put to him, that the adverse balance of payments as a result of our NATO commitments was only $200 million annually.

I told Mr. Richardson at that meeting that I could not put much faith in that figure of $200 million, that it seemed obvious to me it must be far more than that. But he continued to contend that the balance-of-payments deficit as a result of our NATO commitments was only $200 million a year.

The statement made yesterday in Brussels by Secretary of Defense-designate Schlesinger is a far more accurate figure, when he puts the adverse balance of payments for NATO obligations at $1.5 billion. That, in my judgment, is much closer than the figure given by Mr. Richardson. Mr. Richardson's figure seems to be clearly unrealistic and I am very glad that Mr. Schlesinger is setting the record straight.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ANTI-INFLATION PROGRAM NEEDED AT ONCE

Mr. BAKER. Mr. President, yesterday's report of the almost explosive increase in the wholesale price index for the last reporting period is, I believe, clear and conclusive evidence that an effective anti-inflation program must immediately be put into effect. I urge the administration to do so at the earliest possible moment.

There are, of course, many other indexes that point conclusively toward the

need for immediate action, some of them exotic and comprehensible only to economic experts, others far more immediate and accessible to the American people. One need only go to the supermarket or to the drug store or to any place where the consuming public must deal to feel the direct impact of the rampant inflation that is a well-known fact of the moment.

I strongly urge an immediate return to something similar to the so-called phase 2 of the President's economic program. Anything similar to phase 1, that is, a "freeze" of any kind would be most inadvisable and inequitable in my judgment, given the uneven level of prices that prevails today and, worse, the probable effect that such a freeze would have on wages and salaries at a time when increases in wages and salaries are lagging seriously behind the greatly increased prices that the consuming public must pay.

I defer, of course, to the relevant jurisdictional committees of the Congress and to the appropriate agencies and officials of the executive for the design and implementation of an effective wage and price policy, and I look forward to their actions and recommendations, which I hope will be forthcoming very shortly. Because time is the most important factor in dealing with today's situation. We simply cannot accept delay.

For the last several months, virtually the entire burden of correcting imbalances in the economy has been borne by the monetary system, and I believe that this burden cannot be borne much longer without highly undesirable results. Interest rates are at a virtual alltime high, and the monetary system is being asked to perform what is essentially a fiscal function. This distinction was well defined in a speech that I have just read, a speech delivered by the distinguished Chairman of the Board of Governors of the Federal Reserve System, Dr. Arthur Burns, delivered on June 6 before the 1973 International Monetary Conference in Paris.

In that speech, Dr. Burns said:

> I continue to believe that the concept of a variable tax incentive to business investment has merit. Because of our need in the United States to encourage greater productivity, however, I would now recommend that the tax credit remain in effect continuously and that it at no time drop to zero. It could vary, perhaps, between 3 or 4 percent and 15 percent, depending on economic conditions. It would be important also to retain a decisive role for the Congress in determining the specific rate of tax credit. This could be done by empowering the President to initiate changes in the investment tax credit, but making it subject to veto or approval—and perhaps also some modification—by the Congress within a 45 or 60 day period.

I wholeheartedly embrace this proposal, and I urge it upon my colleagues in each of these great Chambers. I urge the President to give his personal support to the proposal and to seek enactment of such legislation.

There are many other actions that the Congress and the Executive can and should do in the economic sector. But, in sum, it seems to me that two actions should be undertaken immediately:

First. The swift implementation by the President of a system of rigorous and fair controls on wages and prices, similar to phase 2; and

Second. The enactment by the Congress of legislation authorizing the President to vary the rate of the investment tax credit within a range of between 3 and 15 percent, provided that the Congress has affirmatively approved, by act or by joint resolution, any proposed change in the tax rate within 45 days of the President's proposed adjustment.

I am aware, of course, of the fears of some that the on-going proceedings in the Congress, in the executive, and in the judiciary with respect to the Watergate matter have had and are having an unsettling effect on the domestic economy, as reflected in the stock market, and on the international monetary front. I cannot assess the validity of those fears; however, it may be that many people in this country and many of our friends abroad do not appreciate the great strength of a political system that can undertake such a searching self-appraisal of itself in full public view. Perhaps some underestimate the strength of our system and make economic decisions on the basis of that false estimate. They should not. In any event, it is my firm conviction that the long-term effect of the Senate hearings on Watergate and of the other Watergate proceedings now underway will strengthen rather than weaken all of our domestic institutions, including our public and private economic institutions, and that this view will be vindicated both at home and abroad.

But in the meantime, it seems very clear to me that stern fiscal and monetary measures are urgently required for the short term.

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. S. 1248, the Department of State Appropriations Authorization Act of 1973.

FEDERAL POWER COMMISSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, what is the question before the Senate in executive session?

The PRESIDING OFFICER. The confirmation of Robert H. Morris as a member of the Federal Power Commission.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that at the completion of routine morning business on Monday next, the Senate go into executive session to consider the nomination of Mr. Robert H. Morris.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday is as follows:

The Senate will convene at 12 o'clock noon.

After the two leaders or their designees have been recognized under the standing order, the distinguished assistant Republican leader, Mr. GRIFFIN, will be recognized for not to exceed 15 minutes, after which the junior Senator from West Virginia, Mr. ROBERT C. BYRD, will be recognized for not to exceed 15 minutes.

At the conclusion of these orders, there will be a period for the transaction of routine morning business, of not to exceed 30 minutes, with statements therein limited to 3 minutes.

At the conclusion of routine morning business, the Senate will go into executive session to consider the nomination of Mr. Robert H. Morris, of California, to be a member of the Federal Power Commission, for the remainder of the term expiring June 22, 1973. The vote on that nomination will not occur on Monday but will occur on Tuesday. Hopefully, on Monday, the leadership will be able to reach an agreement as to a time certain on Tuesday for the vote on the nomination of Mr. Morris.

Mr. President, after any debate which Senators may wish to contribute on Monday with respect to the nomination of Mr. Morris, the leadership will proceed to lay aside the nomination temporarily for the rest of that day and proceed to the consideration of the matter now pending—which will be the unfinished business in legislative session—the bill making appropriations for the State Department. Amendments thereto may be called up. It is anticipated that there will be yea and nay votes Monday afternoon on amendments to the State Department authorization bill and/or on other measures on the calendar which may be cleared for action. So Senators are alerted to the possibility that there will be yea-and-nay votes on Monday next.

ADJOURNMENT TO MONDAY, JUNE 11, 1973

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and at 3:21 p.m. the Senate adjourned until Monday, June 11, 1973, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate June 8, 1973:

FEDERAL BUREAU OF INVESTIGATION

Clarence M. Kelley, of Missouri, to be Director of the Federal Bureau of Investigation.