Endowment for International Peace to use certain real estate in the District of Columbia as the Endowment's Washington offices; to the Committee on the District of Columbia.

By Mr. JONES of Alabama:
H.R. 8996. A bill for the relief of the estate of Clarence Schrimsher; to the Committee on the Judiciary.

By Mr. ROY:
H.R. 8997. A bill for the relief of Rev. Ernest E. Thompson; to the Committee on the Judiciary.

SENATE—*Tuesday, June 26, 1973*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. RUSSELL B. LONG, a Senator from the State of Louisiana.

PRAYER

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

Almighty God, we thank Thee for the gift of this good land, and for the hosts of good people who walk not in the ways of the evil but in paths of righteousness and truth. Hasten the day when all men live according to Thy precepts, when none shall prey on others, where vice and poverty shall cease to fester, where success is founded on service, where honor is given to worth alone, where order need no longer rest on force but on the love of all for their land. Confirm and strengthen those who live by Thy word. Redeem those who sin against Thee and their fellow man. Make us a nation cleansed and renewed for Thy service. And here offer to Thee our time and strength and thought to advance the coming of Thy kingdom of peace and goodwill.

Through Jesus Christ, our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 26, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. RUSSELL B. LONG, a Senator from the State of Louisiana, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, June 25, 1973, be approved.

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.

MESSAGE FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

(For nominations received today, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1994) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

ORDER OF BUSINESS

Mr. SCOTT of Pennsylvania. Mr. President, I yield back my time.

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

THE F-14: TIME FOR A THOROUGH REASSESSMENT

Mr. PROXMIRE. Mr. President, for a number of years I have been following the F-14 program, and I have become highly skeptical that the F-14 will provide any significant return on the dollar.

Again this year I would like to discuss the F-14 with regard to certain specific points for only by a full understanding of the ancillary arguments can the F-14 be properly evaluated.

I offer the following remarks in the hope that these issues will be extensively examined by the relevant committees of the Senate.

There are four issues that cast doubt on the wisdom of proceeding with the F-14. The first of these is the question of mission.

MISSION: HIGH-THREAT CARRIER PROTECTION

The F-14 with its weapon system, the Phoenix standoff missile, is a sophisticated fleet air defense system. About that there is no argument. In terms of complexity, there is no comparison with any other fighter in the world. The F-14 and Phoenix have been designed to provide protection against a coordinated, advanced attack from standoff ranges both in the air and off the surface. Leaving aside for a moment the question of actual capability, it is clear that the F-14 is intended to face the most determined threat on the seas. If it were not, it simply would not require the complex fire-control system and multishot capability of the Phoenix. For years now the F-14 has been described to Congress as the only aircraft capable of defending against a sophisticated attack.

Now this raises an often overlooked but critical point. If the F-14 is designed for this advanced threat, under what conditions would this capability be utilized?

Certainly it would not be necessary around South America or Africa. Much of the Pacific likewise is free from the threat of attack by a technologically advanced power. The same goes for off the China coast and for Southeast Asia. The Indian Ocean contains no threat of this nature.

In fact, the F-14 with its highly complex defensive system is intended only for use against a massive Soviet attack on our carriers. This is likely to materialize only in two specific regions: In the eastern Mediterranean and in the Baltic area. The F-14 then is a highly specialized weapon system whose capabilities, on paper at least, are tailored for operation in limited circumstances.

I would inquire of the Pentagon just how the F-14 could be used cost-effectively in the developing world. Is the F-14 the best plane for carrier defense against the low-threat areas of Africa or South America. Is it necessary there? If not, just where is it expected to be employed with maximum effectiveness? How plausible are those assumptions? Is carrier defense in a high-threat area possible under any conditions?

It is quite likely that the entire fleet need not be equipped with F-14's. Since we already have 134 planes on order, it will be possible to deploy this number on the few carriers we operate in high-threat zones.

Surely we do not need a $19.2 million plane to influence the developing nations or show the flag or create an American presence. We would only need it to fight the Soviet Union at sea and that contingency is not very plausible in itself.

Too often the F-14 program is justified without suitable reference to the primary mission of carrier defense and analysis of the overall carrier vulnerability problem.

The U.S. carrier fleet is faced with a military dilemma. In time of crisis and

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

impending military action, the carriers are to utilize their mobility and take up positions close to the potential battle zone. In other words, they would move into the high-threat areas. And yet it is precisely in these high-threat areas that the carriers are most vulnerable. The eastern Mediterranean, for example, would be a graveyard for U.S. carriers. And so would portions of the Baltic where Soviet submarines operate in great numbers. The combination of air-to-surface missiles, submarine launched tactical missiles, surface-to-surface missiles, torpedoes, and land-based aircraft in high-threat areas is enough to force U.S. carriers to retire. Thus we have a strange circumstance. U.S. carriers will be less effective in the high-threat areas due to forced retirement or sinkage. Their mission would be severely curtailed and with that comes the conclusion that carriers will not be able to operate in the waters demanded by their mission.

The F–14 will do little to alleviate this situation. It basically is a question of numbers. Even with the multishot Phoenix capability, and I think that has been greatly exaggerated, the Soviets will be able to attack with far more aircraft, missiles, and submarines than a full complement of F–14's with a high success rate could defend against.

Carriers have their place and can perform valuable operations. But operating in high-threat areas is not one of them and this casts doubt on the sophisticated F–14 program. Against a heavy threat, the F–14's would exact a larger price but fail in the basic mission—successfully defending the carrier.

SKYROCKETING COSTS

Behind this backdrop of carrier vulnerability the costs of the F–14 program stand out starkly. The original planning and development estimate for the F–14 was for 469 planes at $13.1 million each—program unit costs—for a total of $6.16 billion. Several months later in September of 1969 this was changed to 293 aircraft at $16.6 million. December brought a new total of 722 planes at $11.4 million.

In 1970 the total went from 722 to 437 and back to 722. The 1971 figure fluctuated from 437 to 313.

At the present time, the Navy wants at least 313 including apparently 68 for the Marine Corps. This kind of up-down, back-and-forth planning is absurd.

By any standards the F–14 will be the most expensive fighter in the world and by a wide margin. It already has cost $3.46 billion for a paltry 134 aircraft or a program unit cost of $25.8 million each. Contrast this with the $1 million plus price tag of the Soviet MIG–21.

An additional $2.6 billion will be required to fund the 179 planes needed to fill out to 313. This will bring the F–14 program to over $6 billion or about the same as the original planning estimate in 1969 but for 156 fewer planes.

The unit cost would be a staggering $19.2 million compared to the original $13.1 million. This means that the U.S.S.R. or People's Republic of China would be able to field 10 Mig–21's at the inflated price of $2 million each for every F–14 we produce. And the F–14 has not been made that can handle 10 Mig–21's by itself even with its heralded six-shot Phoenix capability of 100 percent reliability.

DECLINING FORCE LEVELS

Mr. President, to put it simply, declining force levels are more of a threat to the United States than many potential adversaries. We are buying fewer weapons and paying more for them. And in many cases they simply do not work. It has hapened with the MBT–70 tank. It has happened with ground vehicles like the gamma goat. The expensive aircraft carrier program has forced reduction in other Navy vessels. And it is happening with tactical aircraft.

At the current rate of force level decline, it will not be long before the U.S. Navy will not have as many on-line fighters as North Korea or other potential minor adversaries.

That is, we will have fewer on-line fighters than little North Korea. That country, for example, has about 389 Mig–15's and 17's, 108 Mig–21's, a handful of Mig–19's, and 28 SU–7's, not to mention 70 IL–28 light bombers. The 14 U.S. attack carriers carry two fighter squadrons each with 12 unit equipped aircraft per squadron.

At present, these fighters mainly are F–4's which can also double as attack aircraft, a capability that is noticeably lacking in the F–14. Therefore, every addition of F–14's as a replacement to existing F–4's also will have the effect of taking away some offensive firepower from the carrier force. In other words, we are getting less offensive firepower, less combat effectiveness, than we had before—not more—and for a greater cost.

The main point, however, has been aptly put by a veteran Navy pilot. We are well along the road, he stated, to buying just one aircraft and letting everyone take turns flying it.

When costs go up, force levels are pushed down and one for one replacement is not possible. This is the real threat posed by the F–14. Evidence about declining force levels comes from Vice Admiral Houser, the Deputy Chief of Naval Operations—Air Warfare.

Admiral Houser has made it clear that the Navy's aircraft procurement program is below that necessary to maintain force levels and has resulted in program stagnation and rapid obsolescing of aircraft in the inventory. We are buying less than half as many Navy aircraft this year as in 1969. The active inventory is going down dramatically. The F–14 program accelerates this disarmament. Every F–14 purchased at $19.2 million drives down the force level.

PHOENIX: A NIFTY CHANGE IN JUSTIFICATION

The F–14 has been sold to Congress on the basis of the Phoenix missile system. In March, testifying before the Tactical Airpower Subcommittee of the Senate Armed Services Committee, Admiral Zumwalt emphasized just how important Phoenix is to the F–14. He said:

The F–14's importance rests primarily on its ability to track and fire on multiple targets simultaneously at long ranges.

He added:

Two primary fighter requirements have repeatedly emerged (from studies); the requirement for large radar search volume and a long range track-while-scan multiple shoot-while scan capability.

These requirements must be achieved if the Navy is to survive and operate forces in the face of enemy air and missile concentrations.

Thus, the F–14 is inextricably bound to the Phoenix system, according to expert testimony. Previous congressional hearings confirm this fact. And yet the Navy now is willing to drop the Phoenix capability on future purchases of F–14's or F–15 variants competing in the fly-off. Suddenly the primary positive characteristic of the F–14 will turn out to be its dogfight capability. Such is the flexibility of justifications presented to Congress.

Many other questions remain about the Phoenix missile program, including testing in an operational environment, time between launches, attack envelopes, pilot practice, maneuvering capability, and missiles allocated per plane. I will address these points at a later date. It is enough for now to say that contractor optimism and Navy press releases should be taken with a healthy degree of skepticism given the history of other complex electronic programs and the tendency to set up favorable tests.

CONCLUSIONS

Given the current status of the F–14 program and the ever-changing Navy figures, I can only conclude that this has turned into the most mismanaged application of defense dollars since its ill-fated predecessor, the TFX. Not since the F–111B—TFX—disaster has the Navy so fouled up a major aircraft procurement program. Costs have soared, force levels have plummeted, and the Navy has engaged in a prolonged game of indecision.

The situation becomes even more critical when the forced Marine Corps F–14 purchase is considered. Let me say what many in the Marine Corps are thinking privately: The F–14 will cost Marine lives during a landing. It cannot perform the close support and interdiction function as well as the F–4J's it replaces.

It is essential that some order be brought out of the F–14 mess. The Navy will not do it. The Pentagon will not do it. Congress must do it.

The F–14 should be discontinued both for cost and force level reasons. Continued purchase of the F–14 is an exercise in unilateral disarmament. It will create lower force levels, perhaps to a dangerous degree.

I propose three corrective actions:

First, no further F–14's should be purchased. The existing 134 on order could be distributed, one squadron each on six carriers or two squadrons each on three carriers in high-threat zones. The cutoff of F–14 purchases would save at least $2.6 billion under present planning.

Second, the Navy should substitute a lightweight fighter for the existing F–4's at an appropriate time in the 1980's when that becomes necessary. Purchase of a $3 million lightweight fighter at a quantity of 500 would permit a savings of

about $3.5 billion over a comparable buy of stripped-down $10 million F–14's or F–15's. This plane could be a modified YF–16, YF–17, or pure Navy version. Recent studies indicate that a lightweight fighter would have more capability in terms of range and payload capacity than thought in previous years.

Third, in the interim years before a new lightweight fighter comes on line, I recommend continued purchase of the excellent F–4J to upgrade the Navy and Marine Corps inventory.

The combined effect of my recommendations would be to provide a "hi-lo" tactical mix of great versatility at a price at least $6 billion below what the Navy wants to spend, not including continued F–4J acquisitions.

As for the proposed flyoff in 2 years between the F–15N and F–14D, this is nothing more than a fraud, and an expensive one at that. Decisions will be postponed. The ultimate size of the purchase will be put off and our tactical air requirements will again be delayed while more years slip by. What we need is a firm decision to limit the number of F–14's and aggressively pursue a replacement fighter we can afford and in numbers that are adequate.

To do less is to endanger our future force levels and leave the aircraft carriers vulnerable even in low threat areas.

I am sending a letter to Deputy Secretary of Defense William Clements requesting a detailed reply to my suggestions and asking for data about present Navy plans for a 25,000-pound lightweight fighter not yet presented to Congress. In addition, I am requesting a complete breakdown of the factors that impinge on the use of the Air Force lightweight fighters, the YF–16 and YF–17, as carrier capable aircraft including cost and mission characteristics and an assessment of the technology life of the F–4J.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair is prepared to recognize the Senator from Illinois (Mr. PERCY) for not to exceed 15 minutes. The Senator is not in the Chamber at this time. Therefore, the Chair recognizes the Senator from West Virginia (Mr. ROBERT C. BYRD).

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

I ask unanimous consent that my recognition be without prejudice to the distinguished Senator from Illinois (Mr. PERCY).

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

INFLATION, THE ECONOMY, AND FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, this past weekend the headlines were dominated by the summit meeting between President Nixon and Mr. Brezhnev. Much was made of the conviviality of the Soviet leader and the efforts he made to project a pleasing image to the American people. I am glad, of course, for any progress that can be made in improving relations between this country and the Soviet Union. But in truth, despite the cosmetics, little new ground was plowed in dealing with the really substantive differences that exist in United States-Soviet dealings.

The American people are, of course, interested in and concerned about the world relationships of their country—just as they are concerned about the Watergate disclosures—but I am convinced that at this point, and indeed the polls have shown, that what they are most concerned about is inflation and the high cost of living, especially the continuing high cost of food. Nothing better indicates the apparent impasse we have reached in the administration's attempts to deal with this situation, I believe, than the destruction of thousands upon thousands of baby chickens in recent days because producers say it has become unprofitable to raise them for market. Even though the Brezhnev-Nixon meetings during the weekend captured the headlines and the TV tubes, the most important news as far as the American consumer and the American housewife are concerned was the destruction of hundreds of thousands of baby chickens.

The economic unsoundness of such regrettable waste sharply points up the need for haste on the part of the administration in putting into effect its phase IV economic controls. I have said before, and I repeat, that a disastrous mistake was made in lifting the phase II controls last winter. The country has now been made to wait much too long for action, and I cannot urge too strongly that phase IV be put into effect as soon as it is possible to do so.

Housewives and wage earners, and indeed the American people in general, are becoming impatient and upset at the failure to effectively control inflation. There is no doubt that it is our No. 1 problem. When we witness such developments as the destruction of high-protein food which poultry provides, the problem is brought into even sharper public focus. It is little short of ludicrous that we have allowed a situation to be created in our country in which food producers—with demand at its peak—are finding it unprofitable to produce food. We simply cannot afford to allow a policy of scarcity to take the place of a policy for controlling inflation.

Unless action to implement phase IV is taken promptly, American housewives may find not only high prices and shortages, but also that some important foods have disappeared from stores. Producers of farm products simply cannot be expected to go into the hole feeding and raising poultry, livestock, and other foods if they cannot recover their costs and make a reasonable profit. Store managers cannot be expected to stock foods for which they may have to pay more than the foods can be sold for.

I, therefore, urge again that the administration move ahead with all swiftness to implement a sound and workable phase IV control program, because in the midst of potential plenty, it is unthinkable that our great Nation should have scarcities of food.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. PROXMIRE). Under the previous order, the Senator from Illinois (Mr. PERCY) is recognized for not to exceed 15 minutes.

THE SUMMIT

Mr. PERCY. Mr. President, I think it is appropriate to congratulate President Nixon on the success of the summit meeting just concluded. The President is to be congratulated not only for the agreements reached and the declarations made, but also for his leadership in directing the negotiations of several years duration which made these agreements and declarations possible.

In the exquisite preparations for the President's visits to Peking and Moscow, we became aware of the care and attention to detail which the President, his National Security Adviser, and his Secretary of State devote to meetings of this sort. This summit was similarly prepared, and I am sure that its success was due in large part to the preparation.

The statements of President Nixon and General Secretary Brezhnev were noteworthy for their clarity and their tone of mutual understanding. There was an absence of ambiguity and what has come to be known as "diplomatic double talk." There was an obvious desire by both men to increase mutual trust by speaking positively and acting cooperatively. Moreover, they gave the impression of men who understood and admired each other; while this might not be very important in a substantive way, there are significant advantages when the leaders of the world's two greatest military powers find it possible to get along well—to respect each other—and to take steps toward insuring the peace.

In candor it would be a mistake to attribute to the agreements more substance than they actually possessed. For instance, only personal expressions of commitment to troop reductions in Central Europe and to further nuclear arms limitations were made. On these transcendent issues, we had only agreements to agree at a later date.

Likewise the many agreements in the areas of business, science, and culture broke no new ground. They were logical extensions of what had come before.

The declaration on avoidance of nuclear war and the establishment of more lasting peace was good to hear. But there was no structure created to achieve these goals, only an agreement to consult in dangerous times. It is to be hoped, however, that this declaration will help speed accord on SALT II.

Nevertheless, the summit was a success in its own terms. Forward steps were taken, the process of Soviet-American cooperation was stimulated, and the atmosphere was constructively agreeable.

Perhaps most important, the basis was laid for periodic meetings of the two leaders. As their relationship deepens, and if the mutual trust is consolidated, they can move ahead to the dramatic breakthroughs of cooperation that some in this country had perhaps prematurely expected of this summit. Annual meet-

ings at the summit will provide incentive to expedite the work of the negotiating meetings in between.

Monumental differences between the two systems still exist, no matter how personable and agreeable our leaders may appear together. The Soviet Union continues to be a closed society where the press and publishing are rigidly controlled, where travel is restricted, where emigration is limited, where religious practice is circumscribed, and where foreign broadcasts are jammed. The United States is an open society where individual liberty is cherished, where individual choice is honored, and where private newspapers can challenge the performance and veracity of Presidents. Thus, there is still a tremendous chasm between the two systems.

I am hopeful that future meetings between the leaders of the two nations, building on what has already been accomplished, will give impetus to the opening up of Soviet society. When General Secretary Brezhnev and his associates perceive that they have nothing to fear from contact with the West, they should broaden such contact by tearing down the cobweb of restrictions which enshrouds the Soviet people and negates the people's right to a free flow of information. The TV and radio address last year of President Nixon directly to the people of the Soviet Union and the equally remarkable address of General Secretary Brezhnev to the American people this past Sunday evening are examples of the mutual benefits to be gained by such a free flow of information.

I hope, too, that General Secretary Brezhnev learned from the long luncheon meeting he had with the Committee on Foreign Relations that the American people and their elected representatives are deeply concerned about aspects of human rights of which the Soviet people are now deprived. The point was made in connection with the courageous efforts of Soviet Jews to emigrate to Israel, but he should know that we are also concerned about the rights of the Baltic peoples, of the Ukrainian intellectuals, of the evangelical Christians, and of the Baptists.

At the end of the lunch, Mr. Brezhnev proposed a toast to neighborliness, cooperation, détente, and world peace. On other occasions during the past week, President Nixon made similar toasts. So long as we exchange toasts, rather than missiles, the cause of peace is strengthened. Whatever the degree of significance of the agreements and declarations announced last week, this summit has further strengthened the cause of peace and both the President and the General Secretary are to be congratulated.

Mr. President, I ask unanimous consent to have printed in the RECORD the joint United States-U.S.S.R. communique issued yesterday.

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

JOINT UNITED STATES-U.S.S.R. COMMUNIQUE

At the invitation of the President of the United States, Richard Nixon, extended during his official visit to the USSR in May 1972, and in accordance with a subsequent agreement, General Secretary of the Central Committee of the Communist Party of the Soviet Union, Mr. Leonid I. Brezhnev, paid an official visit to the United States from June 18 to June 25. Mr. Brezhnev was accompanied by A. A. Gromyko, Minister of Foreign Affairs of the USSR, Member of the Politbureau of the Central Committee, CPSU; N. S. Patolichev, Minister of Foreign Trade; B. A. Bugayev, Minister of Civil Aviation; G. E. Tsukanov and A. M. Aleksandrov, Assistants to the General Secretary of the Central Committee, CPSU; L. I. Zamyatin, General Director of TASS; E. I. Chazov, Deputy Minister of Public Health of the USSR; G. M. Korniyenko, Member of the Collegium of the Ministry of Foreign Affairs of the USSR; G. A. Arbstov, Director of the USA Institute of the Academy of Sciences of the USSR.

President Nixon and General Secretary Brezhnev held thorough and constructive discussions on the progress achieved in the development of US-Soviet relations and on a number of major international problems of mutual interest.

Also taking part in the conversations held in Washington, Camp David, and San Clemente, were:

On the American side William P. Rogers, Secretary of State; George P. Shultz, Secretary of the Treasury; Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs.

On the Soviet side A. A. Gromyko, Minister of Foreign Affairs of the USSR, Member of the Politbureau of the Central Committee, CPSU; A. F. Dobrynin, Soviet Ambassador to the USA; N. S. Patolichev, Minister of Foreign Trade; B. P. Bugayev, Minister of Civil Aviation; A. M. Aleksandrov and G. E. Tsukanov, Assistants to the General Secretary of the Central Committee, CPSU; G. M. Korniyenko, Member of the Collegium of the Ministry of Foreign Affairs of the USSR.

I. THE GENERAL STATE OF US–SOVIET RELATIONS

Both Sides expressed their mutual satisfaction with the fact that the American-Soviet summit meeting in Moscow in May 1972 and the joint decisions taken there have resulted in a substantial advance in the strengthening of peaceful relations between the USA and the USSR and have created the basis for the further development of broad and mutually beneficial cooperation in the various fields of mutual interest to the peoples of both countries and in the interests of all mankind. They noted their satisfaction with the mutual effort to implement strictly and fully the treaties and agreements concluded between the USA and the USSR, and to expand areas of cooperation.

They agreed that the process of reshaping relations between the USA and the USSR on the basis of peaceful coexistence and equal security as set forth in the Basic Principles of Relations Between the USA and the USSR signed in Moscow on May 29, 1972, is progressing in an encouraging manner. They emphasized the great importance that each Side attaches to these Basic Principles. They reaffirmed their commitment to the continued scrupulous implementation and to the enhancement of the effectiveness of each of the provisions of that document.

Both Sides noted with satisfaction that the outcome of the U.S.–Soviet meeting in Moscow in May 1972 was welcomed by other States and by world opinion as an important contribution to strengthening peace and international security, to curbing the arms race and to developing businesslike cooperation among States with different social systems.

Both Sides viewed the return visit to the USA of the General Secretary of the Central Committee of the CPSU, L. I. Brezhnev, and the talks held during the visit as an expression of their mutual determination to continue the course toward a major improvement in US–Soviet relations.

Both Sides are convinced that the discussions they have just held represent a further milestone in the constructive development of their relations.

Convinced that such a development of American–Soviet relations serves the interests of both of their peoples and all of mankind, it was decided to take further major steps to give these relations maximum stability and to turn the development of friendship and cooperation between their peoples into a permanent factor for worldwide peace.

II. THE PREVENTION OF NUCLEAR WAR AND THE LIMITATION OF STRATEGIC ARMAMENTS

Issues related to the maintenance and strengthening of international peace were a central point of the talks between President Nixon and General Secretary Brezhnev.

Conscious of the exceptional importance for all mankind of taking effective measures to that end, they discussed ways in which both Sides could work toward removing the danger of war, and especially nuclear war, between the U.S.A. and the USSR and between either party and other countries. Consequently, in accordance with the Charter of the United Nations and the Basic Principles of Relations of May 29, 1972, it was decided to conclude an Agreement Between the U.S.A. and the U.S.S.R. on the Prevention of Nuclear War. That Agreement was signed by the President and the General Secretary on June 22, 1973. The text has been published sep rately.

The President and the General Secretary, in appraising this Agreement, believe that it constitutes a historical landmark in Soviet-American relations and substantially strengthens the foundations of international security as a whole. The United States and the Soviet Union state their readiness to consider additional ways of strengthening peace and removing forever the danger of war, and particularly nuclear war.

In the course of the meetings, intensive discussions were held on questions of strategic arms limitation. In this connection both Sides emphasized the fundamental importance of the Treaty on the Limitation of Anti-Ballistic Missile Systems and the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms signed between the U.S.A. and the USSR in May 1972 which, for the first time in history, place actual limits on the most modern and most formidable types of armaments.

Having exchanged views on the progress in the implementation of these agreements, both Sides reaffirmed their intention to carry them out and their readiness to move ahead jointly toward an agreement on the further limitation of strategic arms.

Both Sides noted that progress has been made in the negotiations that resumed in November 1972, and that the prospects for reaching a permanent agreement on more complete measures limiting strategic offensive armaments are favorable.

Both Sides agreed that the progress made in the limitation of strategic armaments is an exceedingly important contribution to the strengthening of U.S.-Soviet relations and to world peace.

On the basis of their discussions, the President and the General Secretary signed on June 21, 1973, Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms. The text has been published separately.

The U.S.A. and the USSR attach great importance to joining with all States in the cause of strengthening peace, reducing the burden of armaments, and reaching agreements on arms limitation and disarmament measures.

Considering the important role which an effective international agreement with respect to chemical weapons would play, the

two Sides agreed to continue their efforts to conclude such an agreement in cooperation with other countries.

The two Sides agree to make every effort to facilitate the work of the Committee on Disarmament which has been meeting in Geneva. They will actively participate in negotiations aimed at working out new measures to curb and end the arms race. They reaffirm that the ultimate objective is general and complete disarmament, including nuclear disarmament, under strict international control. A world disarmament conference could play a role in this process at an appropriate time.

III. INTERNATIONAL QUESTIONS: THE REDUCTION OF TENSIONS AND STRENGTHENING OF INTERNATIONAL SECURITY

President Nixon and General Secretary Brezhnev reviewed major questions of the current international situation. They gave special attention to the developments which have occurred since the time of the US-Soviet summit meeting in Moscow. It was noted with satisfaction that positive trends are developing in international relations toward the further relaxation of tensions and the strengthening of cooperative relations in the interests of peace. In the opinion of both Sides, the current process of improvement in the international situation creates new and favorable opportunities for reducing tensions, settling outstanding international issues, and creating a permanent structure of peace.

Indochina

The two Sides expressed their deep satisfaction at the conclusion of the Agreement on Ending the War and Restoring Peace in Vietnam, and also at the results of the International Conference on Vietnam which approved and supported that Agreement.

The two Sides are convinced that the conclusion of the Agreement on Ending the War and Restoring Peace in Vietnam, and the subsequent signing of the Agreement on Restoring Peace and Achieving National Concord in Laos, meet the fundamental interests and aspirations of the peoples of Vietnam and Laos and open up a possibility for establishing a lasting peace in Indochina, based on respect for the independence, sovereignty, unity and territorial integrity of the countries of that area. Both Sides emphasized that these agreements must be strictly implemented.

They further stressed the need to bring an early end to the military conflict in Cambodia in order to bring peace to the entire area of Indochina. They also reaffirmed their stand that the political futures of Vietnam, Laos, and Cambodia should be left to the respective peoples to determine, free from outside interference.

Europe

In the course of the talks both Sides noted with satisfaction that in Europe the process of relaxing tensions and developing cooperation is actively continuing and thereby contributing to international stability.

The two Sides expressed satisfaction with the further normalization of relations among European countries resulting from treaties and agrements signed in recent years, particularly between the USSR and the FRG. They also welcome the coming into force of the Quadripartite Agreement of September 3, 1971. They share the conviction that strict observance of the treaties and agreements that have been concluded will contribute to the security and well-being of all parties concerned.

They also welcome the prospect of United Nations membership this year for the FRG and the GDR and recall, in this connection, that the USA, USSR, UK and France have signed the Quadripartite Declaration of November 9, 1972, on this subject.

The USA and the USSR reaffirm their desire, guided by the appropriate provisions of the Joint US–USSR Communique adopted in Moscow in May 1972, to continue their separate and joint contributions to strengthening peaceful relations in Europe. Both Sides affirm that ensuring a lasting peace in Europe is a paramount goal of their policies.

In this connection satisfaction was expressed with the fact that as a result of common efforts by many States, including the USA and the USSR, the preparatory work has been successfully completed for the Conference on Security and Cooperation in Europe, which will be convened on July 3, 1973. The USA and the USSR hold the view that the Conference will enhance the possibilities for strengthening European security and developing cooperation among the participating States. The USA and the USSR will conduct their policies so as to realize the goals of the Conference and bring about a new era of good relations in this part of the world.

Reflecting their continued positive attitude toward the Conference, both Sides will make efforts to bring the Conference to a successful conclusion at the earliest possible time. Both Sides proceed from the assumption that progress in the work of the Conference will produce possibilities for completing it at the highest level.

The USA and the USSR believe that the goal of strengthening stability and security in Europe would be further advanced if the relaxation of political tensions were accompanied by a reduction of military tensions in Central Europe. In this respect they attach great importance to the negotiations on the mutual reduction of forces and armaments and associated measures in Central Europe which will begin on October 30, 1973. Both Sides state their readiness to make, along with other States, their contribution to the achievement of mutually acceptable decisions on the substance of this problem, based on the strict observance of the principle of the undiminished security of any of the parties.

Middle East

The parties expressed their deep concern with the situation in the Middle East and exchanged opinions regarding ways of reaching a Middle East settlement.

Each of the parties set forth its position on this problem.

Both parties agreed to continue to exert their efforts to promote the quickest possible settlement in the Middle East. This settlement should be in accordance with the interests of all states in the area, be consistent with their independence and sovereignty and should take into due account the legitimate interests of the Palestinian people.

IV. COMMERCIAL AND ECONOMIC RELATIONS

The President and the General Secretary thoroughly reviewed the status of and prospects for commercial and economic ties between the USA and the USSR. Both Sides noted with satisfaction the progress achieved in the past year in the normalization and development of commercial and economic relations between them.

They agreed that mutually advantageous cooperation and peaceful relations would be strengthened by the creation of a permanent foundation of economic relationships.

They recall with satisfaction the various agreements on trade and commercial relations signed in the past year. Both Sides note that American-Soviet trade has shown a substantial increase, and that there are favorable prospects for a continued rise in the exchange of goods over the coming years.

They believe that the two countries should aim at a total of 2–3 billion dollars of trade over the next three years. The Joint US-USSR Commercial Commission continues to provide a valuable mechanism to promote the broad-scale growth of economic relations. The two Sides noted with satisfaction that contacts between American firms and their Soviet counterparts are continuing to expand.

Both sides confirmed their firm intention to proceed from their earlier understanding on measures directed at creating more favorable conditions for expanding commercial and other economic ties between the USA and the USSR.

It was noted that as a result of the Agreement Regarding Certain Maritime Matters signed in October 1972, Soviet and American commercial ships have been calling more frequently at ports of the United States and the USSR, respectively, and since late May of this year a new regular passenger line has started operating between New York and Leningrad.

In the course of the current meeting, the two Sides signed a Protocol augmenting existing civil air relations between the USA and the USSR providing for direct air services between Washington and Moscow and New York and Leningrad, increasing the frequency of flights and resolving other questions in the field of civil aviation.

In the context of reviewing prospects for further and more permanent economic cooperation, both Sides expressed themselves in favor of mutually advantageous long term projects. They discussed a number of specific projects involving the participation of American companies, including the delivery of Siberian natural gas to the United States. The President indicated that the USA encourages American firms to work out concrete proposals on these projects and will give serious and sympathetic consideration to proposals that are in the interest of both Sides.

To contribute to expanded commercial, cultural and technical relations between the USA and the USSR, the two Sides signed a tax convention to avoid double taxation on income and eliminate, as much as possible, the need for citizens of one country to become involved in the tax system of the other.

A Protocol was also signed on the opening by the end of October 1973 of a Trade Representation of the USSR in Washington and a Commercial Office of the United States in Moscow. In addition a Protocol was signed on questions related to establishing a US-Soviet Chamber of Commerce. These agreements will facilitate the further development of commercial and economic ties between the USA and the USSR.

V. FURTHER PROGRESS IN OTHER FIELDS OF BILATERAL COOPERATION

The two Sides reviewed the areas of bilateral cooperation in such fields as environmental protection, public health and medicine, exploration of outer space, and science and technology, established by the agreements signed in May 1972 and subsequently. They noted that those agreements are being satisfactorily carried out in practice in accordance with the programs as adopted.

In particular, a joint effort is under way to develop effective means to combat those diseases which are most widespread and dangerous for mankind: cancer, cardiovascular or infectious diseases and arthritis. The medical aspects of the environmental problems are also subjects of cooperative research.

Preparations for the joint space flight of the Apollo and Soyuz spacecraft are proceeding according to an agreed timetable. The joint flight of these spaceships for a rendezvous and docking mission, and mutual visits of American and Soviet astronauts in each other's spacecraft, are scheduled for July 1975.

Building on the foundation created in previous agreements, and recognizing the potential of both the USA and the USSR to undertake cooperative measures in current scientific and technological areas, new projects for fruitful joint efforts were identified and appropriate agreements were concluded.

Peaceful Uses of Atomic Energy

Bearing in mind the great importance of satisfying the growing energy demands in both countries and throughout the world, and recognizing that the development of

highly efficient energy sources could contribute to the solution of this problem, the President and General Secretary signed an agreement to expand and strengthen cooperation in the fields of controlled nuclear fusion, fast breeder reactors, and research on the fundamental properties of matter. A Joint Committee on Cooperation in the Peaceful Uses of Atomic Energy will be established to implement this agreement, which has a duration of ten years.

Agriculture

Recognizing the importance of agriculture in meeting mankind's requirement for food products and the role of science in modern agricultural production, the two Sides concluded an agreement providing for a broad exchange of scientific experience in agricultural research and development, and of information on agricultural economics. A US-USSR Joint Committee on Agricultural Cooperation will be established to oversee joint programs to be carried out under the Agreement.

World Ocean Studies

Considering the unique capabilities and the major interest of both nations in the field of world ocean studies, and noting the extensive experience of US–USSR oceanographic cooperation, the two Sides have agreed to broaden their cooperation and have signed an agreement to this effect. In so doing, they are convinced that the benefits from further development of cooperation in the field of oceanography will accrue not only bilaterally but also to all peoples of the world. A US–USSR Joint Committee on Cooperation in World Ocean Studies will be established to coordinate the implementation of cooperative programs.

Transportation

The two Sides agreed that there are opportunities for cooperation between the USA and the USSR in the solution of problems in the field of transportation. To permit expanded, mutually beneficial cooperation in this field, the two Sides concluded an agreement on this subject. The USA and the USSR further agreed that a Joint Committee on Cooperation in Transportation would be established.

Contacts, Exchanges and Cooperation

Recognizing the general expansion of US–USSR bilateral relations and, in particular, the growing number of exchanges in the fields of science, technology, education and culture, and in other fields of mutual interest, the two Sides agreed to broaden the scope of these activities under a new General Agreement on Contacts, Exchanges, and Cooperation, with a duration of six years. The two Sides agreed to this in the mutual belief that it will further promote better understanding between the peoples of the United States and the Soviet Union and will help to improve the general state of relations between the two countries.

Both Sides believe that the talks at the highest level, which were held in a frank and constructive spirit, were very valuable and made an important contribution to developing mutually advantageous relations between the US and the USSR. In the view of both Sides, these talks will have a favorable impact on international relations.

They noted that the success of the discussions in the United States was facilitated by the continuing consultation and contacts as agreed in May 1972. They reaffirmed that the practice of consultation should continue. They agreed that further meetings at the highest level should be held regularly.

Having expressed his appreciation to President Nixon for the hospitality extended during the visit to the United States, General Secretary Brezhnev invited the President to visit the USSR in 1974. The invitation was accepted.

June 24, 1973

RICHARD NIXON,
President of the United States of America.
LEONID I. BREZHNEV,
General Secretary of the Central Committee, CPSU.

ORDER OF BUSINESS

Mr. PERCY. Mr. President, I yield the remainder of my time to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.)

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. I thank my friend, the Senator from Illinois.

THE CONCERNS OF VIRGINIANS

Mr. HARRY F. BYRD, JR. Mr. President, Sunday was a beautiful day in the State of Virginia, and on that beautiful day I traveled 230 miles and went through 12 different counties of our State.

I started in the northwestern part of Virginia, in Frederick County, then through a part of Clarke County, into Warren County and the fine town of Front Royal. From then I went to Rappahannock County. In Virginia we call it the Free State of Rappahannock, the people there being so independent-minded. From there I went to Madison County, then to Albemarle County, on the outskirts of Charlottesville, then into Fluvanna County, and the town of Palmyra situated between Charlottesville and Richmond.

I spoke in Palmyra to dedicate a new public building for the county of Fluvanna. Palmyra is the county seat of Fluvanna and is only 16 miles from Thomas Jefferson's Monticello.

The more I get out among the people in Virginia the more convinced I am as to what very wonderful people inhabit our great State.

I love Virginia, Mr. President, every part of Virginia, every mountain, every valley, every seashore, and I love the people of Virginia. I get out among them as much as I can. It gives me encouragement; it gives me enlightenment.

In Washington I find myself much of the time in a minority. I find that many of my colleagues in the Congress do not agree with some of my views. The Secretary of the Treasury said last week that my call for a balanced Federal budget is an "extremist" position.

Sometimes I feel that perhaps I am wrong. And then I get out among the people of Virginia and I become convinced that I am right in the battles I am trying to fight here in the Senate. I find the people of Virginia more deeply concerned about the grave condition in which the Government finds itself financially than are Members of Congress or members of the executive branch.

I find deep concern, too, among the people of my State about the continued centralization of power in Washington, another battle I have been fighting.

It gives me encouragement, when I talk as I did Sunday for 2 hours with large numbers of Virginians, talking with them personally, face to face.

Then, after leaving Palmyra and the County of Fluvanna, I went to Orange County, Culpeper County, Fauquier County, Prince William County, and Fairfax County.

Were it not for other commitments I had Sunday, I would have been in Richmond. It was an important day in Richmond. Patrick Cardinal O'Boyle, of Washington, and Lawrence Cardinal Sheehan, of Baltimore, came to Richmond on Sunday to honor the Most Reverend John J. Russell on the 50th anniversary of his ordination as a priest. Bishop Russell retired April 15 as bishop of the Catholic diocese of Richmond.

I have known Bishop Russell for the past 15 years. He is a splendid man and a beloved figure in our State. I have never known a finer man than Bishop Russell. I would have liked to have been in Richmond Sunday to join with thousands of his fellow Virginians who honored him at the Sacred Heart Cathedral in Richmond. I was not able to be there because of other commitments, but I was with him in spirit.

I wanted to invite the attention of my colleagues in the Senate today to this splendid citizen of our State, Bishop John J. Russell who retired as bishop of the Catholic diocese of Richmond on his 75th birthday.

I thank the Senator from Illinois, and 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.

PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, with statements limited therein to 3 minutes.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED LEGISLATION FROM THE DISTRICT OF COLUMBIA

A letter from the Mayor-Commissioner, the District of Columbia, Washington, D.C., transmitting a draft of proposed legislation to amend the Horizontal Property Act of the District of Columbia (with an accompanying paper). Referred to the Committee on the District of Columbia.

PROPOSED LEGISLATION FROM THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to authorize

the President to enter into agreements establishing totalization arrangements between the social security system established by title II of the Social Security Act and the social security systems of other countries (with accompanying papers). Referred to the Committee on Finance.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements Pertaining to Insurance Operations of the Federal Housing Administration, Fiscal Year 1972," Department of Housing and Urban Development, dated June 22, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT ON CERTAIN LANDS IN THE STATE OF ALASKA

A letter from the Secretary of the Interior, reporting, pursuant to law, on the withdrawal of certain unreserved public lands in the State of Alaska, for the period between December 18, 1972 and June 17, 1973 (with an accompanying paper). Referred to the Committee on Interior and Insular Affairs.

REPORT OF NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of the National Institute on Alcohol Abuse and Alcoholism, for fiscal year 1972 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

REPORT ON FEDERAL ACTIVITIES IN VOCATIONAL REHABILITATION AND RELATED FIELDS

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Federal Activities in Vocational Rehabilitation and Related Fields, for the fiscal year 1972 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION FROM DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to transfer Saint Elizabeths Hospital to the District of Columbia (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A memorial of the House of the State of Florida. Referred to the Committee on Foreign Relations:

"HOUSE MEMORIAL NO. 1307

"A memorial to the Congress of the United States, urging Congress to take immediate steps to account for the more than thirteen hundred Americans still missing in action in Southeast Asia

"Whereas, American involvement in the Southeast Asian conflict has begun to draw to a close with the signing of a truce agreement calling for return of all American prisoners of war, and

"Whereas, almost all American military forces in the Republic of Vietnam have been withdrawn pursuant to that truce agreement, and

"Whereas, although almost five hundred American missing in action and held as prisoners of war have been accounted for and released from captivity, there remain at least thirteen hundred of their fellow Americans yet unaccounted for in Southeast Asia, and

"Whereas, it is the responsibility of the people of this nation to do everything in their power to determine whether these men are still alive and, if so, to secure their immediate release from captivity, Now, therefore,

"Be It Resolved by the Legislature of the State of Florida: That the Congress of the United States is urged and requested to take every possible step and to make every possible effort to account for the more than thirteen hundred American servicemen still missing in Southeast Asia and to secure the immediate release from captivity of those still alive.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

A concurrent resolution of the Legislature of the State of Louisiana. Referred to the Committee on Commerce:

"HOUSE CONCURRENT RESOLUTION NO. 225

"A concurrent resolution to memorialize the Congress of the United States to desist from enacting no-fault insurance legislation.

"Whereas, the United States comprises a union of sovereign states to which powers not delegated by the Constitution of the United States are reserved; and

"Whereas, historical precedence provides for matters concerning the insurance industry to be handled at the state level; and

"Whereas, state control of insurance matters has proven successful and beneficial, for appropriate measures have been enacted to provide for conditions peculiar to local circumstances; and

"Whereas, it would therefore appear that a determination as to whether Louisiana should enact mandatory no-fault insurance and particulars related thereto should properly be made by this Legislature, rather than by the Congress of the United States, particularly in light of the fact that the United States Senate Finance Committee reported that federal proposals would effect a great increase in the rates of the average insured person in Louisiana; and

"Whereas, Louisiana and the other states in the union should be given a reasonable time period in which to make this determination before any legislation is adopted at the federal level.

"Therefore, be it resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring, that the Congress of the United States is hereby memorialized to desist from enacting no-fault insurance legislation and thereby reserve the power of the states to supervise insurance activities.

"Be it further resolved that copies of this Resolution be transmitted to the presiding officers of each house of the Congress of the United States, and to each member of the Louisiana Delegation in Congress."

A concurrent resolution of Legislature of the State of Texas. Referred to the Committee on Government Operations:

NO. 66

"SENATE CONCURRENT RESOLUTION

"Whereas, The proposed general services administration rule change which would deny excess property to federal grantees has been delayed pending a study of the issue; to effect this study, the Federal Register of November 14, Page 24113, Title 41, Public Contracts and Property Management, states: "The policy on acquisition and use of excess property . . . will continue unchanged, and a study will be conducted and a determination made as to the desirability for modification of this policy"; and

"Whereas, Excess property remains available to federal grantees, except in the Department of Health, Education, and Welfare, which on July 14, 1972, issued its own unilateral regulation change denying excess property to grantees under Health, Education, and Welfare programs; and

"Whereas, When the federal excess property program was available, more than $100 million for vocational-technical education programs throughout the United States received marked assistance by securing properties for the purpose of training for the job market; this represented approximately 20 percent of the total expenditures for training of the handicapped, veterans, minority groups, the disadvantaged, and others toward the development of marketable skills; and

"Whereas, On January 31, 1973, the Honorable Jim Wright from Texas introduced HR 3523 in the House of Representatives, a bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property to all qualified federal grantees; now, therefore, be it

"Resolved by the Senate of the 63rd Legislature, the House of Representatives concurring, That the Legislature of the State of Texas hereby memorialize the Congress of the United States to take favorable action on the Honorable Jim Wright's HR 3523; and, be it further

"Resolved, That a copy of this resolution be forwarded to the President and Vice-President of the United States, and to each senator and representative in congress from Texas with the request that this resolution be officially entered in the Congressional Record as a memorial to the congress."

A joint resolution of the Legislature of the State of Utah. Referred to the Committee on Banking, Housing and Urban Affairs:

"H.C.R. No. 2

"A concurrent resolution of the 40th Legislature of the State of Utah, the Governor concurring therein, recognizing the problems relating to present housing subsidy programs and the need for suspension of them; recognizing the continuing scarcity of housing particularly housing for the poor; and recommending that early substitute programs be implemented

"Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

"Whereas, the President of the United States of America, recognizing the financial and political problems connected with existing housing programs and their failure to accomplish the desired objectives, has placed by Executive Order a suspension on several existing housing programs designed particularly to provide housing for the poor;

"Whereas, the State of Utah is presently suffering from an extreme shortage of housing for low and moderate income families, as indicated by a .05% vacancy rate among low income housing; and state estimates indicate an immediate need for 30,000 new or rehabilitated units of housing for these residents; and

"Whereas, many individuals and families are living in condemned housing or deteriorated housing which is unsafe and should not be inhabited.

"Now, therefore, be it resolved, that the 40th Legislature and the Governor of the State of Utah urge the President and Congress of the United States to implement early substitute programs which will aid the low and moderate income people of the State of Utah and the United States of America to obtain adequate housing.

"Be it further resolved, that the Secretary of State send a copy of this resolution to the President of the United States of America and each member of the congressional delegation from the State of Utah."

A resolution adopted by the Saipan Legislature, relating to amendment of the Micronesian Claims Act. Referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

S. 969. A bill relating to the constitutional rights of Indians (Rept. No. 93-252).

By Mr. HRUSKA, from the Committee on the Judiciary, with an amendment:

S. 1615. A bill for the relief of August F. Walz (Rept. No. 93-251).

By Mr. McGEE, from the Committee on Appropriations, with amendments:

H.R. 8619. An act making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93-253).

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

S. 426. A bill to regulate interstate commerce by requiring premarket testing of new chemical substances and to provide for screening of the results of such testing prior to commercial production, to require testing of certain existing chemical substances, to authorize the regulation of the use and distribution of chemical substances, and for other purposes (Rept. No. 93-254), together with additional views.

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

S. 2079. An original bill to amend the Federal Property and Administrative Services Act of 1949, as amended; (Rept. No. 93-255). Placed on the calendar.

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. EASTLAND, from the Committee on the Judiciary:

Clarence M. Kelley, of Missouri, to be Director of the Federal Bureau of Investigation.

The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

By Mr. MAGNUSON, from the Committee on Commerce:

Sidney L. Jones, of Michigan, to be an Assistant Secretary of Commerce.

The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read for the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS (for himself and Mr. WILLIAMS, Mr. KENNEDY, Mr. SCHWEIKER, Mr. ABOUREZK, Mr. BEALL, Mr. BIDEN, Mr. BROOKE, Mr. CRANSTON, Mr. DOMINICK, Mr. HATHAWAY, Mr. HART, Mr. HOLLINGS, Mr. HUGHES, Mr. HUMPHREY, Mr. MATHIAS, Mr. MONDALE, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. STAFFORD, Mr. STEVENS, Mr. STEVENSON, Mr. TAFT, and Mr. TUNNEY):

S. 2068. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs Disease. Referred to the Committee on Labor and Public Welfare.

By Mr. EAGLETON:

S. 2069. A bill to improve national reading skills. Referred to the Committee on Labor and Public Welfare.

By Mr. NELSON:

S. 2070. A bill to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effecutating its enforcement. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY (for himself and Mr. JAVITS, Mr. BEALL, Mr. CRANSTON, Mr. DOMINICK, Mr. HATHAWAY, Mr. HUGHES, Mr. PELL, Mr. RANDOLPH, Mr. SCHWEIKER, and Mr. WILLIAMS):

S. 2071. A bill to amend the Public Health Service Act to provide for the establishment of National Research Service Awards. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY (for himself, Mr. JAVITS, Mr. HATHAWAY, Mr. HUGHES, Mr. PELL, and Mr. RANDOLPH):

S. 2072. A bill to amend the Public Health Service Act to assure maximum protection for human subjects of biomedical and behavioral research. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY:

S. 2073. A bill to authorize the Senate, the House of Representatives, and Congressional committees to bring suits with respect to claims of executive privilege. Referred to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 2074. A bill to amend the Federal Trade Commission Act in order to grant the Commission authority to directly enforce subpoenas issued by the Commission and to directly seek preliminary injunctive relief to avoid unfair competitive practices which violate laws enforced by the Commission. Referred to the Committee on Commerce.

By Mr. BELLMON (for himself and Mr. BARTLETT):

S. 2075. A bill to authorize the Secretary of the Interior to undertake a feasibility investigation of McGee Creek Reservoir, Oklahoma. Referred to the Committee on Interior and Insular Affairs.

By Mr. GURNEY:

S. 2076. A bill to establish in the State of Florida the Egmont Key National Park. Referred to the Committee on Interior and Insular Affairs.

By Mr. FONG:

S. 2077. A bill for the relief of Hermogenes Lacuesta Rana. Referred to the Committee on the Judiciary.

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

S. 2078. A bill to require the Secretary of the Army to make a survey for flood control purposes in the County of San Luis Obispo, California. Referred to the Committee on Public Works.

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

S. 2079. An original bill to amend the Federal Property and Administrative Services Act of 1949, as amended. Placed on the calendar.

By Mr. PELL (for himself and Mr. KENNEDY):

S. 2080. A bill to provide for the establishment of rail passenger service development corporations, and to make available Federal assistance to encourage the development of improved rail passenger services in transportation corridors in the United States. Referred to the Committee on Commerce.

By Mr. BROOKE (for himself and Mr. McINTYRE):

S.J. Res. 128. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself and Mr. WILLIAMS), Mr. KENNEDY, Mr. SCHWEIKER, Mr. ABOUREZK, Mr. BEALL, Mr. BIDEN, Mr. BROOKE, Mr. CRANSTON, Mr. DOMINICK, Mr. HATHAWAY, Mr. HART, Mr. HOLLINGS, Mr. HUGHES, Mr. HUMPHREY, Mr. MATHIAS, Mr. MONDALE, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. STAFFORD, Mr. STEVENS, Mr. STEVENSON, Mr. TAFT, and Mr. TUNNEY):

S. 2068. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, the bill I introduce today, the National Tay-Sachs Disease Screening and Counseling Act, for myself, Senator WILLIAMS, and Senators KENNEDY, SCHWEIKER, ABOUREZK, BEALL, BIDEN, BROOKE, CRANSTON, DOMINICK, HATHAWAY, HART, HOLLINGS, HUGHES, HUMPHREY, MATHIAS, MONDALE, PERCY, RANDOLPH, RIBICOFF, STAFFORD, STEVENS, STEVENSON, TAFT, and TUNNEY seeks to protect the health and welfare of all citizens by establishing a national program for the diagnosis, control, and prevention of Tay-Sachs disease.

Tay-Sachs disease is a killer disease of children who are born seemingly healthy and normal. The children gradually are debilitated, showing early clinical signs of the illness at 9 months and losing more and more functions controlled by the central nervous system, such as sight, control of swallowing, et cetera. They have frequent convulsions and as consequence of their increasingly severe illness, require chronic hospitalization for average periods of 2 years before they die. All these events are caused by the lack of the enzyme whose function is to help metabolize brain fats. When the enzyme is missing, the intermediate unmetabolizable fats accumulate in the nerve cells and destroy them. At present, there are no known means to reverse this process in the afflicted children.

In 1969, a major breakthrough in medical history occurred. It was demonstrated that the absence of a newly discovered enzyme, Hexosaminidase—called Hex-A for short—was the specific cause of Tay-Sachs disease. Previous studies had shown that the till-then unknown enzyme—controlled by a recessive gene—was lacking in 1 in 30 American citizens of Eastern European Jewish origin—who constitute 90 percent of the U.S. Jewish population—and 1 in 300 of the general American population.

The discovery of the missing enzyme made it possible to pinpoint specifically the identification of adults of childbearing age as being "carriers." These individuals having the "carrier state" are themselves healthy, but if two happen to marry, one-quarter of their children, run the risk of having Tay-Sachs disease.

Further developments have made it possible through relatively harmless procedures to identify a fetus intrauterine-

ly in the very earliest weeks of pregnancy as having Tay-Sachs disease. In 1971, the Kingsbrook Jewish Medical Center corroborated the validity of such an intrauterine diagnosis and this validity has been massively substantiated since that time.

The practical application of this research has led to model mass screening projects to identify the "carrier state" in the population at high risk for Tay-Sachs disease—American Jews of Eastern Europe descent—and followup intrauterine monitoring of early pregnancy where both parents have the "carrier state."

There are three reasons why Tay-Sachs disease is very conducive to mass screening programs:

First, it affects a definite population group;

Second, its carriers can be identified by a simple blood test which measures the presence or absence of a crucial enzyme; and

Third, an affected fetus can be detected in the uterus, through the process of amniocentesis, in which a small amount of the fluid around the unborn child is removed.

These mass screenings have already had success in preventing a number of births of children with Tay-Sachs disease and have led to widespread demand in communities across the Nation for such carrier detection programs to prevent Tay-Sachs disease and to insure that a couple who are both carriers can choose to have as many healthy children as they want despite their having the "carrier state." While there is still no cure, there now exists the practical and proved possibility of preventing 90 percent of cases of Tay-Sachs disease in the United States and thus, in effect, the control of the disease, the freeing of scarce chronic-disease hospital beds and services for other illnesses, and the avoidance of now unnecessary social and emotional trauma to families who would have had children with Tay-Sachs disease. In addition, the transfer of skills, knowledge, models, and technologies to about 30 other related disorders are fringe benefits of tremendous value.

In terms of cost-benefit analysis alone, about 100 "bed years" per year are now necessary for Tay-Sachs disease in the American Jewish population of about 6 million. The cost is health care per year for each bed is about $55,000. The total dollar cost per year now equals $5,500,000—100 times $55,000. A decade of costs amounts to $55 million. Through widespread effective mass screening of at-risk individuals of childbearing age—18 to 42—and follow-up genetic counseling, most of these costs, unnecessary deaths, and familial suffering can be eliminated. It would be a most humane and beneficial service to a now threatened sector of the American population for the Federal Government to demonstrate an effective preventive public health effort.

The Federal Government has been funding Tay-Sachs research through a series of programs. One and a half million has been spent for grant and projects specifically aimed at Tay-Sachs. An additional $3 million has been invested in related research.

The major provisions of this bill are:

First, the Secretary is authorized to make grants and contracts to establish voluntary Tay-Sachs screening and counseling programs—primarily through other existing health programs—and to develop appropriate public information programs.

Second, $3 million is authorized for 1 year to stimulate the development of the program and to formulate the required educational materials.

It is important to note that this is a one-time Federal expenditure. The program thereafter will be self-sustaining, the costs defrayed by the minimal payments of those voluntarily taking the test.

Third, the bill sets out the specific requirements for grants' eligibility, patterned upon other existing genetic blood disorder programs as established in law.

Fourth, participation in the Tay-Sachs disease screening and counseling programs is all on a voluntary basis.

Limited demonstration program experience has shown that to be effective, mass screening needs the greater awareness of the medical community, the education and mobilization of lay and religious Jewish organizations, and the help of the media. Legislation to prevent Tay-Sachs disease in the United States has the support of the National Tay-Sachs and Allied Diseases Association—which has provided important leadership in this important struggle—and of all groups concerned with effective, preventive public health programs.

Mr. WILLIAMS. Mr. President, I am today joining with my distinguished colleague from New York in introducing the National Tay-Sachs Disease Screening and Counseling Act.

As most of my colleagues are aware, Tay-Sachs disease is an inherited disorder which destroys the nervous system of its victims and is always fatal to an afflicted child. It has claimed the lives of thousands of young Americans and we must do everything we can to control its spread.

Mr. President, a child with Tay-Sachs disease is born apparently normal but at the age when the child should begin to learn motor skills, it is noticed that he cannot raise his head or chest and is unattentive. As the child gets older his motor activity impairments worsen until he can only lie still, staring straight ahead. Death usually comes at about age 5.

The genetic mutation which causes Tay-Sachs disease is found to occur with highest frequency among Jews of Eastern European descent. One out of every 30 Jews is estimated to carry the mutation that causes Tay-Sachs disease in contrast to non-Jewish population where it is estimated that only 1 in 300 carries the mutation. For a child to be born with Tay-Sachs disease, it is necessary that both parents carry the genetic mutation in what is known as "the heterozygous recessive state."

Tay-Sachs disease will affect one out of every four children that are born to parents both carrying the mutation and 75 percent of the Tay-Sachs children born in the United States have Jewish parents.

Tragically, the treatment of Tay-Sachs disease is an expensive and futile affair and treatment often costs as much as $55,000 per year. The financial burden of caring for a Tay-Sachs child over his 5 years of life could be as much as $275,000. No treatment that the child receives can cure him.

Mr. President, while there is, as yet, virtually no hope for the children who have already inherited this disease, recent developments in medical science make it possible to identify parents carrying the mutation that leads to the birth of a Tay-Sachs child. A simple, inexpensive blood test can tell physicians whether a parent carries the Tay-Sachs mutation. Screening procedures are designed to detect the hidden gene which is responsible for the disease. The normal gene produces an enzyme called herosaminidose A, or hex A, which catalyzes the degradation of fatty material in nerve cells, eventually destroying them and leading to the progressive deterioration of the nervous system.

In the event that both parents carry the potentially dangerous mutation, genetic counseling is advisable. Couples who are likely to have a Tay-Sachs child are advised to consider not having children or to have the pregnancy of the mother closely watched by a physician. A process known as amnioncentisis makes it possible for a physician to remove a sample of amniotic fluid from a mother's uterus and deny or confirm the suspicions of a Tay-Sachs child being born.

Mr. President, until a treatment for the disorder becomes available, Tay-Sachs children have no hope for survival. The incidence of birth of Tay-Sachs children can be greatly reduced by a program of mass screening to identify carriers of the disease. Pilot screening programs have been carried out in 14 places across the United States. The projects confirm the effectiveness of the blood test and amnioncentisis in diagnosing Tay-Sachs disease.

New York City is running a program which at the present time tests 1,000 people per week for the presence of the Tay-Sachs disorder. The cost per patient is $5 to $7.50 and the total cost of the program is $500,000 per year. It is estimated that 5 years' operation of the New York City project will save the city $4.5 million in medical treatment costs for Tay-Sachs children.

Tay-Sachs disease is one of the few genetic diseases that medicine can now predict and diagnose. Although no genetic engineering or cure is possible, prevention can be executed with a high-degree of precision. It has been estimated that screening the vulnerable U.S. population for Tay-Sachs disease mutations and administering subsequent genetic counseling, would eliminate 75 to 80 percent of the incidence of this disease.

Fortunately, a large percentage of the American Jewish population lives in major U.S. cities and could be easily reached.

Mr. President, the National Tay-Sachs Screening and Counseling Act is de-

signed to inform the public and health providers of the existence, nature, and means of prevention of Tay-Sachs disease. The bill will provide funds to establish voluntary screening programs and genetic counseling for those who need it.

Under the bill, the Secretary of Health, Education, and Welfare is authorized to enter into contracts for the printing and distribution of literature to inform the public and those providing medical care of the existence and prevention of Tay-Sachs disease. The bill provides $500,000 for this purpose. This measure also gives the Secretary the responsibility for making grants to establish health care programs for use in administering voluntary Tay-Sachs disease screening and counseling programs; $2.5 million is provided for this purpose. Finally, the Secretary must insure that programs established under this act serve the high-risk population who are in their child-producing years and that screening, counseling, and treatment are entirely voluntary.

Mr. President, it is my hope that the Senate Labor and Public Welfare Committee will be able to give early attention to this modest, yet important, measure.

By Mr. EAGLETON:

S. 2069. A bill to improve national reading skills. Referred to the Committee on Labor and Public Welfare.

Mr. EAGLETON. Mr. President, I send to the desk a bill entitled the National Reading Improvement Act of 1973, and ask that it be read twice and appropriately referred.

Mr. President, we think of America as a land of opportunity—as an advanced Nation, with sophisticated technology—as a highly developed and complex society. True to this view, America spends more tax dollars on education than any other counrty. Yet in many areas of this Nation there are individuals who lack one skill—reading—which is vital to survival in the increasing complexity of American life.

Problems relating to the teaching of reading rank among the most crucial educational issue in this country today. Test scores released from the Office of Education last year revealed that both inner city and rural schools are experiencing a decline in reading scores. Throughout the country, some 10 million elementary and secondary children are severely deficient in reading.

Moreover, a Louis Harris poll reported that 11 million American adults could not read well enough to obtain a driver's license. Fourteen million could not read well enough to qualify for a bank loan and 10 million would encounter severe difficulty resulting from reading deficiencies in qualifying for social security.

This is truly a national problem, but we have yet to see an adequate response by the National Government.

For more than 3 years we have heard the Nixon administration's rhetoric about its "right to read" program. You may recall that this program was first announced in October, 1969, by the late Dr. James Allen, then U.S. Commissioner of Education. Dr. Allen spoke of the millions of American children and teenagers with serious reading difficulties who were, as he called it—

> Denied a right—a right as fundamental as the right to life, liberty, and the pursuit of happiness.

He committed this administration to a far-reaching program of educational support for these youngsters to enable them to enjoy their right to read.

Not long thereafter, in March 1970, President Nixon endorsed the program in his message to Congress on education reform. The President said he would request $200 million for the "right to read" program for fiscal year 1971. When the details of this budget request became known, it was seen to be largely illusory. There was no $200 million in new money to launch this ambitious new program, but rather a shifting around of funds already committed to existing library and education programs.

For the current fiscal year, the administration recommended only $12 million for the right to read program. For the coming fiscal year, the budget request is again only $12 million. Surely the administration cannot believe that such a paltry sum can accomplish the program goal—a goal established by the administration itself—of insuring that, by 1980, 99 percent of all schoolchildren aged 16 and under in the United States and 90 percent of the people over 16 will be functionally literate. Surely a program so hampered by budget restrictions cannot truly be called a "national priority."

At the outset of his administration, President Nixon warned America of the threat of a "precipitous decline in public confidence." The cause of this crisis, he said, was:

> The chronic gap that exists between the publicity and promise attendant to the launching of a new Federal program—and that program's eventual performance.

It has become obvious that Mr. Nixon's warning was in fact a self-fulfilling prophecy. He should have heeded his own words.

The bill which I am introducing today moves to fulfill the unmet promises made long ago by the present administration. For the first fiscal year of funding it authorizes $207.5 million—fulfilling at last the President's promised level of funding of more than 3 years ago.

Mr. President, as you may recall, I introduced a similar measure in the last Congress. Due to the lateness of the session no action was taken on the bill. On April 4 and 5 of this year, I chaired hearings of the Education Subcommittee on reading programs and what steps can be taken to eliminate illiteracy in our country. I believe that the testimony of the witnesses who appeared before the subcommittee has made a substantial contribution to strengthening the provisions of the National Reading Improvement Act of 1973.

The revised bill would:

Authorize the Commissioner of Education to contract with the States to develop improved reading programs and to encourage the establishment and expansion of improved reading programs for adults.

Authorize funds for the training and retraining of instructional personnel in reading programs and for the acquisition of instructional materials.

Direct local educational agencies participating in subcontracts with a State to establish special reading programs for those children not succeeding in regular school programs, to ensure nonpublic schoolchildren participation, to periodically test children and to make public the results of those test scores.

Authorize the Commissioner to contract with institutions of higher education to strengthen and improve undergraduate programs in the teaching of reading and to develop cooperative programs with local education agencies.

Establish within the Office of Education an Office for the Improvement of Reading which would be responsible for administering the programs provided for in this bill and for coordinating them with the other office and agency programs dealing with instruction in reading.

Direct the National Institute of Education to conduct research on the use of educational technology in reading programs.

Authorize an additional $50 million for the Adult Education Act, with directions to give priority in programs conducted under this act to those for functionally illiterate adults.

Authorize $2.5 million for State accrediting agencies to upgrade their certification requirements for reading teachers.

Mr. President, I hope that this legislation will receive thorough review from Congress, from organizations representing educators and parents, and from all interested parties. Only with this kind of concerted national effort can we build a strong reading program on a national level which will effectively meet the needs of both children and adults.

I ask unanimous consent that the text of the National Reading Improvement Act of 1973 and a section-by-section analysis may be printed at this point in the RECORD.

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

S. 2069

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Reading Improvement Act of 1973".

SEC. 2. The Elementary and Secondary Education Act of 1965 is amended by redesignating title VIII and references thereto as Title X, by renumerbering sections 801, 803, 805, 807, 808, 809, 810, and 811, and references thereto as sections 1001 through 1008, respectively, and by inserting after title VII thereof the following new title:

"TITLE VIII—READING IMPROVEMENT PROGRAMS

"SEC. 801. It is the purpose of this title—

"(1) to provide for the strengthening of reading instruction programs in the school systems in the Nation;

"(2) to provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading programs;

"(3) to develop a means by which measurable objectives for reading programs can be established and a means by which progress toward such objectives may be assessed.

STATE READING IMPROVEMENT CONTRACTS

"SEC. 802(a). The Commissioner shall, in accordance with the provisions of this section contract with the States in order to encourage and assist elementary and secondary school systems—

"(1) in planning, developing, and operating improved reading programs;

"(2) in identifying exemplary reading programs in the schools of the States and encouraging and assisting the replication of such programs in other schools;

"(3) in encouraging the establishment and expansion of improved reading programs designed to eliminate illiteracy among adults; and

"(4) in training instructional and other education staff including teacher-aides or other ancillary education personnel and in the acquisition of instructional and related materials, books, periodicals, supplies and equipment.

"(b) For the purpose of assisting the States under contracts entered into under this section, there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1974, $200,000,000 for the fiscal year ending June 30, 1975, and $250,000,000 for the fiscal year ending June 30, 1976.

"(c)(1) The Commissioner shall allot to each State an amount which bears the same ratio to the total amount appropriated as the school-age population with reading deficiencies of such State bears to the total school-age population with reading deficiencies in all the States.

"(2) The Commissioner shall, by regulation, establish standards for identifying the school-age population with reading deficiencies in each State, which shall include designation of approved methods of selecting and testing a representative sample of the school-age population in each State in order to make such determination.

"(3) Whenever the Commissioner determines that any amount allotted to a State for a fiscal year under this section will not be used by such State for carrying out the purpose for which the allotment was made, he shall make such amount available for carrying out such purpose to one or more other States to the extent he determines such other States will be able to use such additional amount for carrying out such purpose. Any amount made available to a State from an appropriation for a fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as part of such State's allotment (as determined under the preceding provisions of this section) for such year.

"(d) Each contract entered into under this section shall contain assurances that—

"(1) a single State agency, designated by the Governor, shall be the agency responsible for the execution of the contract and the operation of the programs conducted thereunder;

"(2) payments under the contract shall be used to plan for and develop a State reading improvement program, giving consideration to the requirements of subsection (f) with respect to contracts with local educational agencies; and

"(3) payments under the contract shall be used to comply with such other requirements as the Commissioner may establish by regulation in order to achieve the purposes of this title and to protect the financial interests of the United States.

"(e) The State agency shall—

"(1) prepare a ten-year plan, in such detail as the Commissioner may require, specifying the goals of the program designed to eliminate illiteracy and overcome reading deficiencies to be conducted with the assistance of funds provided under this title, and the means to be employed by State and local educational agencies to achieve such goals.

"(2) identify those elementary and secondary school children with reading deficiencies and give highest priority to those local educational agencies with the highest concentration of school-age population with reading deficiencies; and

"(3) provide assurance that Federal funds made available under this title for any fiscal year will be so used as to supplement and, to the extent practical, increase the amount of State and local school funds that would in the absence of such Federal funds be made available for reading programs, and in no case supplant such State and local funds.

"(f) The State agency shall enter into subcontracts with local educational agencies for the purpose of establishing comprehensive reading programs at the local level to implement the State plan, consistent with the purposes of this title. Each application for a sub-contract under this subsection shall contain assurances that the local educational agency will, at a minimum, provide for—

"(1) identification of elementary and secondary school children with reading deficiencies;

"(2) planning for and establishing comprehensive reading programs;

"(3) remedial reading instruction for pupils whose reading achievement is less than that which would normally be expected for pupils of comparable ages and in comparable grades of school;

"(4) preservice training programs for teaching personnel including teacher-aides and other ancillary educational personnel, and in-service training and development programs designed to enable such persons to improve their ability to teach students to read;

"(5) participation of the entire school faculty and student body in reading-related activities which stimulate an interest in reading and are conducive to the improvement of reading skills;

"(6) parent participation in development and implementation of the program;

"(7) periodic testing on a sufficiently frequent basis to accurately measure reading achievement;

"(8) publication of test results on reading achievement by school district and by grade level without identification of achievement of individual children;

"(9) availability of test results on reading achievement on an individual basis to parents or guardians of any child being so tested;

"(10) participation on an equitable basis by children enrolled in nonprofit private elementary and secondary schools in the area to be served (after consultation with the appropriate private school officials) to an extent consistent with the number of such children whose educational needs are of the kind the program is intended to meet;

"(11) making available reading instruction programs, including outreach, to persons who are not in regular attendance at such schools but who lack basic reading skills sufficient to enable them to achieve at least functional literacy;

"(12) the use of bilingual education methods and techniques to the extent consistent with the number of school-age children or adults (as the case may be) in the area served by a reading program who are of limited English-speaking ability;

"(13) optimum use of the cultural and educational resources of the area to be served, including institutions of higher education, nonprofit private schools, public and private nonprofit agencies such as libraries, museums, educational radio and television, and other cultural and education resources of the community; and

"(14) such other components as may be agreed upon by the Commissioner and the State.

"(g) Each contract entered into under this section shall be for a maximum period of three years and such contracts shall not be renewed unless measurable progress toward the goal of eliminating illiteracy has been demonstrated.

"(h) Terms and conditions of any contract entered into under this section shall be specifically enforceable in an action brought by the United States.

"(i) The Commissioner is authorized to make incentive awards to local educational agencies which he determines, in accordance with criteria and procedures established by regulation, to have demonstrated exceptional achievement in improving reading levels of school age children or in eliminating illiteracy through reading programs conducted pursuant to this section. There is authorized to be appropriated for the purposes of this subsection for any fiscal year an amount equal to 25 percent of the sums appropriated for such fiscal year for the purposes of subsection (b) of this section.

"GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION

"SEC. 803. (a) There is hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1974, $60,000,000 for the fiscal year ending June 30, 1975, and $65,000,000 for the fiscal year ending June 30, 1976, for the purposes of this section.

"(b) The Commissioner is authorized to make grants to institutions of higher education, or combinations of such institutions, upon application therefor, to assist such institution or institutions—

"(1) in planning and implementing programs to strengthen and improve undergraduate instruction in the teaching of reading, including in-service training programs; and

"(2) in planning, developing, and implementing cooperative programs with local educational agencies which show promise as effective measures for solving reading problems.

"ESTABLISHMENT OF THE OFFICE FOR THE IMPROVEMENT OF READING PROGRAMS

"SEC. 804. (a). There is established in the Office of Education an Office for the Improvement of Reading Programs which shall be responsible for—

"(1) the administration of the programs authorized by this title; and

"(2) the coordination of education programs as provided in the following subsection.

"(b) The Commissioner is authorized, in accordance with the criteria and procedures established by regulation, to facilitate, at the local level, coordination of the furnishing of services under—

"(1) titles I, II, III, and V of the Elementary and Secondary Education Act of 1965;

"(2) section 222(a) of the Economic Opportunity Act of 1964;

"(3) the Adult Education Act;

"(4) the Emergency School Aassistance Act; and

"(5) the Higher Education Act of 1965, which are related to the purposes of this title.

"EDUCATION TECHNOLOGY IN READING PROGRAMS

"SEC. 805. The National Institute of Education shall conduct research on, and support research, demonstration, and pilot projects related to, the use of educational technology in reading programs. To carry out the purpose of this section there is authorized to be appropriated to the National Institute of Education $5,000,000 which shall remain available for obligation and expenditure until expended.

"STRENGTHENING ADULT EDUCATION READING PROGRAMS

"SEC. 806. (a) Clause (8) of section 306(a) of the Adult Education Act is amended to read as follows:

"'(8) provide that, unless such needs can be shown to have been met, priority shall be given to programs and projects designed to meet the needs of adults who are not functionally literate'.

"(b) Section 312(a) of the Adult Education Act is amended by adding at the end thereof the following new sentence:

"'There are authorized to be appropriated $275,000,000 for each of the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976.'

"STATE CERTIFICATION AGENCIES

"SEC. 807. (a) There are authorized to be appropriated $2,500,000 for each of the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, to carry out the purpose of this section.

"(b) The Commissioner shall carry out a program for making grants to State agencies responsible for certifying elementary and secondary education teachers to upgrade reading certification requirements in the State to better prepare those teachers to teach reading.

"(c) For the purpose of carrying out the provisions of this section more effectively, the Commissioner is authorized, upon request, to provide advice, counsel, and technical assistance to State accrediting agencies.

"READING IMPROVEMENT PROGRAM R[illegible]ORT

"SEC. 808. No later than November 1 of each calendar year, the Commissioner shall transmit to the Committee on Labor and Public Welfare of the Senate, and the Committee on Education and Labor of the House of Representatives, a report on activities carried on pursuant to this title evaluating program objectives, assignments of responsibility, levels of support, results and levels of performance, and an estimated budget for the succeeding fiscal year."

THE NATIONAL READING IMPROVEMENT ACT OF 1973

SECTION-BY-SECTION ANALYSIS

Section 1: Short Title: Provides that the Act be cited as "The National Reading Improvement Act of 1973".

Sec. 2: Redesignates title VIII of the Elementary and Secondary Education Act of 1965 as title X, and adds a new title VIII relating to strengthening reading programs.

Sec. 801: States three objectives of the bill, which generally place added emphasis on the need for comprehensive reading programs.

Sec. 802: Contracts authorized, authorizations, State and local educational agency requirements. The Commissioner of Education is authorized to contract with the States to develop improved reading programs in elementary and secondary schools. $100 million is authorized for fiscal year 1974, $200 million for fiscal year 1975, and $250 million for fiscal year 1976. State allotments are made on the basis of the number of school-age children with reading deficiencies, as determined through testing. Local educational agencies must apply to the State agency for sub-contracts to implement reading programs at the local level. Local schools participating in sub-contracts must meet specific requirements, such as special reading programs for those children not succeeding in a regular reading program, ensuring nonpublic school children participation, and periodic testing of reading achievement and publication of those test results. The Commissioner is also authorized to make incentive awards to those schools which have demonstrated substantial progress in eliminating illiteracy.

Section 803: Authorizes the Commissioner to contract with institutions of higher education to upgrade their undergraduate programs in the teaching of reading and to develop cooperative programs with local school districts to strengthen reading programs.

Section 804: Authorizes an Office for the Improvement of Reading Programs in the Office of Education which is responsible for the administration of this program and the coordination of other federal reading programs.

Section 805: $5 million is authorized for the National Institute of Education to conduct research on the use of educational technology in reading programs.

Section 806: The Adult Education Act is amended to give priority to programs for functionally illiterate adults. The authorization for Adult Education is increased by $50 million to achieve this purpose.

Section 807: Authorizes $2.5 million for each of the next three fiscal years to assist State accrediting agencies to upgrade their requirements for teacher certification.

Section 808: Requires the Commissioner of Education to submit an annual report on the program to the appropriate Committees of Congress.

By Mr. NELSON:

S. 2070. A bill to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement. Referred to the Committee on Labor and Public Welfare.

Mr. NELSON. Mr. President, on May 8, 1973, the distinguished Congressman from Michigan (Mr. WILLIAM D. FORD) introduced H.R. 7597 in the House. This bill known as the Labor Contractor Registration Act Amendments of 1973 will extend the coverage and strengthen the enforcement of the Farm Labor Contractor Registration Act of 1963. Mr. FORD as chairman of the House Subcommittee on Agricultural Labor is aware of the need to bring about a more effective realization of the original intent of the Registration Act. Today, I introduce a companion bill in the Senate and join with Congressman FORD to bring about a speedy resolution of the problems existing under present law.

The Farm Labor Contractor Registration Act of 1963 provided for regulation of the crew leaders who operate as middlemen between the farmer and migrant agricultural worker. While we legislated regulations and sanctions for enforcement in the original bill, we are presently faced with the need to strengthen those controls.

Crew leaders are involved in many phases of the harvest and their activities directly affect both the growers and workers.

Congressman FORD has moved to remedy these abuses. It is imperative that the Senate now move together with the House. The amendment in this bill will allow a more effective enforcement of the Registration Act of 1963. Adequate sanctions and channels of redress will provide a workable system safeguarding the interests and requirements of both grower and worker that Congress originally sought to protect.

By Mr. KENNEDY (for himself and Mr. JAVITS, Mr. BEALL, Mr. CRANSTON, Mr. DOMINICK, Mr. HATHAWAY, Mr. HUGHES, Mr. PELL, Mr. RANDOLPH, Mr. SCHWEIKER, and Mr. WILLIAMS):

S. 2071. A bill to amend the Public Health Service Act to provide for the establishment of National Research Service Awards. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY (for himself, Mr. JAVITS, Mr. HATHAWAY, Mr. HUGHES, Mr. PELL, and Mr. RANDOLPH):

S. 2072. A bill to amend the Public Health Service Act to assure maximum protection for human subjects of biomedical and behavioral research. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am today introducing two closely related, complementary pieces of legislation: The National Research Service Awards Act on behalf of myself, Senators JAVITS, WILLIAMS, RANDOLPH, HUGHES, DOMINICK, PELL, CRANSTON, HATHAWAY, SCHWEIKER, and BEALL and the Protection of Human Subjects Act, on behalf of myself, Senator JAVITS, Senators RANDOLPH, HUGHES, PELL, and HATHAWAY.

Together these measures provide for a vigorous biomedical and behavioral research training program and assure that the research is carried out in a system which has maximum protection built into it for the human subjects of the research.

The need for these two measures has been dramatically demonstrated during the 8 days of Health Subcommittee hearings on the quality of medical care—human experimentation. Those hearings focused on the protection, or lack of it, for subjects participating in various types of medical experimentation. Whether in the area of the use of approved drugs for unapproved purposes, experimental surgery, medical devices, prison research, or the Tuskegee syphilis study, the common theme was "let the patient beware." In the State of Tennessee, for example, the drug DepoProvera, which has limited approved indications for use, was used in the routine practice of medicine throughout the State as a 3-month contraceptive agent—which is officially considered to be an experimental use by the FDA. Informed consent was rarely adequate, and often not sought at all. The approved consent form developed by Upjohn and the FDA was never employed. Most unjustified was the widespread use of the drug in the Arlington School and Hospital for the Retarded, without adequate informed consent. The Upjohn Co., which had been shipping the drug directly to the Arlington School has, as a result of these hearings, stopped that practice.

In the area of experimental surgery the hearings showed that because of the absence of quality controls in the practice of medicine, surgeons are free to perform experimental procedures on the basis of their own judgment, just as doctors can prescribe drugs for any experimental purpose on the basis of their own judgment. Thus, in spit of the fact that the Nation's chief psychiatrist, Dr. Bert Brown, Director of the National Institutes of Mental Health, feels that psychosurgery is an experimental procedure to be used very rarely and then only under the most well-controlled clinical conditions, other surgeons are free to, and do, use psychosurgery as a therapeutic procedure, without experimental

controls and safeguards. Dr. O. J. Andy of the University of Mississippi believes that the decision to perform psychosurgery is to be made by the individual doctor and his patient, without peer review or rigorous quality controls. The Veterans' Administration, the Nation's largest hospital system, admitted in testimony that its informed consent procedures were incomplete and inadequate for the psychosurgical procedures carried on in VA hospitals.

In the area of medical devices we have seen the supercoil, an experimental IUD, developed by a single individual, cause grievous harm to several of its experimental subjects.

The subcommittee has seen that research in prisons is a very special category, where classic rules of informed consent are not applicable, and where coercion and the prison social structure shape major elements of the prison research program.

Dr. Robert Veatch, of the Hastings Institute for the Study of Ethics and Life Sciences, recounted over 10 experiments carried out in university settings, which raised significant ethical questions centering around informed consent.

The Tuskegee Syphillis Study, where the Public Health Service left syphillis untreated, even after the discovery of penicillin, and continued the study right up to 1972, has become a classic example of what can go wrong in a totally unregulated research system. And as is so often the case, the victims were poor, uneducated, black Americans.

The common and recurrent theme throughout these hearings was that the human subject of medical research is inadequately protected, and can only react after something has gone wrong, by using the malpractice route.

These are a complicated set of problems. Their solution will require a number of revisions in the medical care system. The abuses that occur as part of the daily practice of medicine can only be ended when quality controls, such as those mandated in the HMO bill recently passed by the Senate, are put into place. Medical devices are a special area and require specific legislation. I will introduce such legislation within 10 days. The third approach is that which is put forth in the Protection of Human Subjects Act. This act will speak to the vast bulk of biomedical and behavioral research being carried out today—all research which is sponsored by the Department of HEW. There is no question that the guidelines for the protection of human subjects promulgated by both the NIH and the FDA are major steps in the right direction. But as expert witnesses pointed out in our hearings, they can and should be strengthened and improved. The same conclusion was reached by the HEW Advisory Panel in its final report on the Tuskegee Syphillis Study.

Several of the witnesses, and the Tuskegee report, called for the creation of a national body to supervise the conduct of research involving human subjects. The Protection of Human Subjects Act sets up such a body. Composed of 11 members from a wide variety of disciplines, it is charged with carrying out a comprehensive review and study of biomedical and behavioral research in this country, in order to develop the basic ethical principles underlying the conduct of such research. The Commission is then given the authority to develop and implement policies and regulations to be sure that those ethical principles become the foundation of biomedical and behavioral research involving human subjects.

The Commission, which is within HEW and reports to the Secretary, is also charged with the development of a system of certification of local institutional review boards. These boards will be responsible for carrying out the policies of doing research with HEW funds. The board membership will represent a variety of disciplines, and will include adequate representation from outside the health professions. Each local board will have two subcommittees, one to review the research protocol from a scientific viewpoint, and a subject advisory subcommittee, which shall be responsible for assuring that the proposed subjects of the research are as informed as possible and that their needs and interests are looked after in the best way possible. The National Commission is also charged with developing an appropriate range of sanctions for failure to comply with its policies, and a mechanism for the compensation of individuals and their families for injuries or death caused by participation in an experiment.

Mr. President, this legislation recognizes the complexities of the issues involved. Maximum flexibility is built into it, and the Commission is free to set its own course on the basis of the comprehensive study it will undertake. There are many subject areas suggested for Commission consideration in this legislation. But the Commission is not restricted by, nor bound to follow, these suggestions. The only thing the Commission must do, after the study, is to set up a mechanism to assure that subjects of biomedical research are protected to the maximum extent possible.

This Commission will provide a national focus for the consideration of complex ethical questions involved in biomedical and behavioral research involving human subjects. It has the authority to open a channel of communications between the different research institutions, many of which are grappling with the same kinds of problems. Most importantly, it will be the only official government body whose primary responsibility will be the protection of subjects of research.

Mr. President, this legislation was developed after consultation with some of this Nation's leading scientists. It has been our experience that good researchers do not fear, and in fact welcome appropriate oversight of the research process. The effect of this legislation will be to protect human subjects of research. It will in no way inhibit the growth of our necessary biomedical research activities.

The companion legislation to the Protection of Human Subjects Act is the National Research Service Awards Act. This legislation is intended to assure a vigorour program for the training of the researchers of the future.

Mr. President, when the administration's proposed fiscal year 1974 budget was unveiled, it sent shockwaves through the Nation's biomedical research community. For all research training grants and fellowships were slated for complete elimination in the President's proposed budget. This policy, if followed, would not only cut off the supply of new, young researchers, but would undermine the financial stability of all medical schools in the Nation, which rely on training grants for support of faculty research. The Nation's research community was unanimous in its condemnation of the proposed administration policies.

Hearings before the Health Subcommittee established the catastrophic consequences of such a policy for the Nation's research effort. Nobel Laureate James Watson called the policy "sheer lunacy." Dean Lewis Thomas of the Yale School of Medicine, and Dean Michael Debakey of the Baylor College of Medicine agreed that this was the "worst possible time" to pursue such an unreasonable course. The National Institutes of Health itself prepared a lengthy rebuttal to this short-sighted policy in an unsuccessful attempt to get it reversed. Secretary Weinberger, in testimony before the subcommittee, could not, despite repeated questioning, name one scientist who agreed with his policy—not one scientist in the entire country.

Mr. President, most of the research training authorities of the National Institutes of Health are perpetual, but permissive in nature. The administration has made it clear that it will no longer exercise its option to use that authority. Thus we have a real crisis at hand.

I hope we can use this crisis to correct some of the deficiencies in the current programs for support of training in biomedical research, so that we may emerge with a stronger, more effective program. That is what the National Research Service Awards legislation is designed to do.

This act differs from current authority in several important ways:

First. It eliminates the dual class system of fellowships and training grants, replacing them with a single National Research Service Award.

Second. It consolidates all existing training authorities into one National Research Service Award authority, to be administered out of the office of the Director of the National Institutes of Health.

Third. All individual awards are granted directly by the Federal Government, from among nominees submitted by the sponsoring institutions.

Fourth. Separate awards are made to institutions for support services necessary to carry out a research training program. This includes support for a portion of faculty salaries, laboratory costs, and so forth.

Fifth. Each award carries with it a responsibility for national service. This service may be in form of doing research at a university or delivering primary care in ones specialty in a designated shortage area as either a member of the National Health Service Corps, a member

of a nonprofit prepaid group practice or as a solo practitioner. The length of the payback varies according to the option chosen. Options other than doing research require special secretarial approval. The incentives are thus weighted heavily in favor of pursuing a lifetime research career. If no options are chosen there is a substantial monetary payback required.

Sixth. The Secretary is directed to sponsor a study designed to clarify national needs for the training of researchers in specific areas. Once that study has been completed and evaluated, the Secretary will certify the need for each category in which service awards are granted, before the award can be made. This will eliminate the oversupply problem alluded to in the Presidential budget message.

This legislation is designed to provide maximum flexibility for the individual recipient of the service award. It offers him a variety of options of payback, all of which are consistent with national needs.

A companion piece of legislation has already emerged from the House of Representatives. That legislation is a step forward over current law, but has several important deficiencies:

First, it does not do anything to existing authorities. They are left intact and new authority is added. There is no consolidation of the authorities so as to make them more easily and flexibly administered.

Second, it perpetuates the dual class system of fellowships and training grant grants. Instead of recognizing institutional support for what it is and clearly accounting for it, it camouflages the costs in the traditional training grant mechanism.

Third, it offers a limited form of payback—either research or the National Health Service Corps.

It does not require that service in the corps be limited to the area of specialty training.

Fourth, it does not require that the Secretary certify need prior to awarding fellowships and training grants. Thus it does not speak to the potential problem of oversupply.

Fifth, the payback required is too severe—2:1. That means a 3-year fellowship requires 6 years payback.

Mr. President, there is significance in the title of this legislation. The concepts of national service and research awards are clearly linked. This is indeed a new program, a more effective one, which will not only meet the need for training future researchers in a flexible way, but will meet significant health service needs as well.

Together these two important pieces of legislation, which shall be the subject of hearings this Thursday and Friday, will both assure a continued supply of well trained biomedical researchers for the future, and be sure that their research is carried out in a fashion that affords maximum protection for the human subjects of that research. I urge, and will work for, their prompt enactment.

PROTECTION OF HUMAN SUBJECTS ACT

Mr. JAVITS. Mr. President, the bill I introduce with Senator KENNEDY today seeks to safeguard the rights and welfare of human subjects involved in federally funded biomedical and behavioral research activities.

When I first introduced my "protection of human subjects" bill in the 92d Congress—since reintroduced in the 93d Congress as S. 878—I urged the Department of Health, Education, and Welfare to charge its distinguished Ad Hoc Advisory Panel reviewing the tragic Tuskegee syphilis experiment also to determine the adequacy of the present NIH ethical guidelines for research, which are the standards of conduct provided for in my bill.

The final report of the Tuskegee Syphilis Study Ad Hoc Advsiory Panel, publicly released less than 2 weeks ago, has responded to this charge. The Panel underscored the need to develop new policies to protect the rights of patients involved in biomedical research. The Advisory Panel's determination that the protection of human research subjects is a current serious and widespread problem has also been corroborated by the testimony of many witnesses at the recent series of hearings of the Senate Health Subcommittee of the Committee on Labor and Public Welfare, of which I am ranking minority member.

The Panel, as have many witnesses, concluded, and I quote:

> Congress should establish a permanent body with the authority to regulate at least all Federally supported research involving human subjects, whether it is conducted in intramural or extramural settings, or sponsored by DHEW or other government agencies, such as the Department of Defence. Ideally, the authority of this body should extend to all research activities, even those not Federally supported. But such a proposal may raise major jurisdiction problems.

The products of biomedical and behavioral research in the recent years have made a tremendous contribution to improving the quality of life for Americans. The increased knowledge of the human body and mind produced by this research has enabled medicine to conquer many of the diseases that have plagued mankind.

There is no doubt that we must continue to encourage and promote research into the great enigma of man and his world if we are to eventually overcome the abysmal depths of ignorance and disease.

However, we must also be certain that the dignity and integrity of the individuals who are subjects of biomedical and behavioral research is protected. We must not overemphasize scientific progress at the expense of the rights of the individual.

This bill is a further step forward in my legislative efforts to safeguard the rights and welfare of human subjects at risk in research.

While it is true that much of the research involving human subjects at risk—exclusive of human subject research and experimentation undertaken pursuant to the informed patient consent amendment of the Food, Drug, and Cosmetic Act which I authored—is done under the auspices of HEW research guidelines assuring ethical guidance, the Tuskegee Syphilis Study has shown these safeguards should be strengthened. Therefore, I believe Congress has a responsibility to assure meaningful legal controls on federally supported research activities involving human subjects and that is the goal of the bill we introduce today.

The bill establishes a national commission to study the ethical, social, and legal implications of advances in biomedical research and technology, the protection of human subjects in such research, and thereafter, first, develop the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects and second, develop the policies necessary to insure these principles are adhered to in any federally supported research involving human subjects.

Until the Commission establishes its biomedical and behavioral research ethical principles and policies, this bill I am introducing today with Senator KENNEDY incorporates the provisions of my S. 878 and requires that each institution shall supervise its biomedical and behavioral research involving human subjects according to the NIH guidelines.

It is imperative that we maintain a constant vigil lest the zeal which first motivated and then impelled man forward in his never-ending quest for enlightenment be like the sorcerer's apprentice, exceeding its bounds and unfettered, cause us to outdistance our own capacity for commonsense and decency.

At the same time, excessive rigidity in the regulation of human subject experimentation because of some improprieties in ethical self-regulation would, I believe be to the disadvantage of the individual and society. While civilized society cannot tolerate callous disregard of human rights for any purpose—Nazi Germany's atrocities in the name of clinical science being the most horrendous example—mankind would be badly served if we write rigid laws to govern research practices and scientific investigation. Research, development, and the reduction to practice of new ideas are not carried out in a practical, ethical or legal vacuum and the public interest would not be served by an inflexible approach. The bill therefore outlines flexible operating procedures which can be adapted to a variety of federally funded grant and contract mechanisms.

NATIONAL RESEARCH SERVICE AWARD ACT

Mr. President, as a direct result of the national program of biomedical research fellowships, traineeships, and training—whereby students and their parent institutions receive support for research and training in the biomedical sciences—the United States now supports the finest biomedical research program in the history of the world.

Unfortunately, this year's budget request proposes the award of no new traineeships or fellowships this year.

The bill I introduce today with Senator KENNEDY is designed to deal with that decision.

The bill establishes a National Research Service Award program to increase the capability of the National Institutes of Health and National Institute of Mental Health to maintain a superior national program of research into the physical and mental disease and impairments of man.

The United States has greatly benefited from the explosive development of science in this country. Biomedical research has provided us with the knowledge and ability to make great improvements in the health and quality of life of American citizens.

Loss of support for the training of young scientists, who would commit their professional careers to seeking new knowledge and upon whom future progress in the understanding, cure, and prevention of disease and injury depends, is ill advised. To fail to recognize this need for the future is shortsighted indeed. Since these trainees learn investigation by doing and since they have bright innovative minds, there will be a significant loss of immediate research productivity when they are absent from our laboratories. In another way, the loss of their stimulating questions and ideas will result in a diminished excitement and productivity of our whole research activity.

At the same time, support for medical center faculty and staff salaries will in part be lost and will require a reduction in numbers and a loss of their special knowledge and skill. These losses are not to be felt but in the trainee program, but from the total research effort for the medical center. They will be felt too in medical education for these faculty are a source of stimulation to medical students, interns and residents, and for an important number of them, they are role models to be emulated.

If the current phaseout of training programs is allowed to proceed to completion, a unique program for training medical scientists with both the M.D. and Ph. D. degree will be abolished. Recognizing that the M.D. is acquainted with the broad biological problems posed by disease but not skilled in research, and that the Ph. D. is well qualified to perform research but naive in regard to disease-oriented model systems, a number of universities have instituted combined degree programs. Because these programs are integrated, it is possible for both types of training to be accomplished in approximately 6 years. In addition, these individuals are excellent candidates for faculty positions because they can combine basic and clinical information in their lectures to medical students. These medical scientists spend more time than either the M.D. or Ph. D. in training, yet their income is lower than physicians can obtain in practices. In addition, their salary is less than their clinical colleagues if they stay in a basic science department. It is unlikely that many of these students would complete training without the small but significant stipends that would be available through National Research Service Awards established by the bill.

In summary, loss of the training support diminishes our future capability to control disease, reduces immediately our research productivity, and lessens the quality of our educational program for biomedical and behavioral researchers.

Instead of the broad, open ended authority presently found in the Public Health Service Act, the bill would provide line-item authorization for a single National Research Service Awards authority—which encompass the numerous existing NIH and NIMH traineeships and fellowships authorities—at the 1972 obligation level.

A unique feature of the bill is its provision that individuals supported by National Research Service Awards would be required to engage in 1 year of research, teaching or practice in the National Health Service Corps for each year of support received, or repay the amount received under the program. In addition, individuals supported could serve in private practice in an area the Secretary of Health, Education, and Welfare determined to be a speciality shortage area or in a qualified nonprofit prepaid group practice, but in those instances, they would be required to provide 20 months of service for each year of support.

The bill would also direct a new, independent study of the traineeship and fellowship program by the National Academy of Sciences, a nongovernmental unit.

Every President since Herbert Hoover, including President Nixon on two occasions, has signed legislation containing specific authority for the training of biomedical research workers. Direct Federal support for such training has been an established part of the Congress' and Executive's health policy for over 40 years. I believe that such a policy should not be precipitously reversed, without consultation with the Congress by any administration as a budget decision. This bill will allow such study and consultation.

By Mr. KENNEDY:

S. 2073. A bill to authorize the Senate, the House of Representatives, and congressional committees to bring suits with respect to claims of executive privilege. Referred to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, I am today introducing a bill to provide a means for Congress to obtain a judicial determination of the existence of executive privilege, and its application in specific circumstances.

Traditionally executive privilege disputes have been compromised and negotiated, so that no definitive limitations on the scope of the doctrine have evolved. The Executive has on occasion taken the position that "Congress cannot, under the Constitution, compel heads of departments by law to give up papers and rather doctrinaire information, regardless of the public interest involved; and the President is the sole judge of that interest." Mr. Kleindienst propounded this theory in hearings earlier this year. Members of Congress have replied, with substantial support from the academic community, that there is no executive privilege doctrine found in the Constitution, thus, that Congress is the sole judge of what information is to be given to it.

In any discussion of the issues surrounding the executive privilege doctrine, certain basic principles requires recognition:

First, both practically and historically, executive privilege can apply if at all only to the advice-giving process relating to decisions by the President himself. Communications among government agency officials and even activities of Presidential aides outside their duties in behalf of the President cannot be drawn within the cloak of executive privilege.

Second, the rights of Congress on behalf of the public and those of the public directly are not coequal. The special needs of Congress in fulfilling its legislative role under the Constitution and its recognized role in overseeing execution of its laws by the Executive, require that it have access to information that otherwise might not be released to public view. The Freedom of Information Act, which expresses exceptions to the principle of full disclosure where the public is involved does not by its specific terms provide any limitation on congressional access to Government information.

Finally, the executive should not be the sole judge of the scope of its own privilege, without check and without standards. To allow the executive to be its own arbiter on questions of disclosure is virtually to guarantee that the determination will be based on something less than the broadest view of the public interest, This is not acceptable to the Congress, nor should it be to the public.

I think it would be a mistake for either Congress or the executive to draw too indelible a line on the issue of executive privilege. I also oppose inflexible legislation imposing automatic sanctions for wrongful or untimely invocation of the privilege. Congress already has subpena and contempt powers. It can hold up nomination, cut off funds, or withhold authorizations.

The bill I am proposing today is consistent with these other alternatives to dealing with invocation of executive privilege. The bill does not presume the existence of an executive privilege doctrine. But since executive privilege is purported to be a constitutional doctrine, the bill gives the Federal courts the opening to delineate the extent of the doctrine if it finds the privilege in fact exists. The courts' traditional role in interpretating the Constitution is thus maintained, and I was pleased today to learn that the Attorney General also saw as natural and appropriate a judicial role in deciding executive-legislative conflicts in the executive privilege area.

The bill would also allow an objective branch of Government to demarcate the relationship between the two other branches of Government under the Constitution. Although the Congress obviously still would retain other avenues for enforcing its will, none of these has ever assisted in providing long-range resolutions on the question of what, if any, information the executive branch can keep from Congress.

The bill I am introducing gives a three-judge district court of the District of Columbia original jurisdiction

over actions brought by the Senate, the House of Representatives, and congressional committees which challenge refusals of executive branch officials to appear, testify, or produce information. It contemplates such a suit would follow the refusal of the official to comply with a subpena, and it provides for an override by the House or Senate of any committee-initiated action. A direct appeal to the Supreme Court would follow any initial district court decision.

This bill can be viewed as a companion to other measures introduced in the Senate, since they do not provide any remedy for any external objective considerations of the doctrine.

I recognize the fear of some that this legislation may be used by agencies as an escape valve, knowing that any refusal to provide information will result in drawn out court disputes, and that even after judicial rulings, the executive can refuse to abide by them. I think these fears are not well-founded, and more importantly, this bill would allow a test case on the existence and parameters of executive privilege. Since this is a nation of laws, Congress must presume that no man, and moreover, no official of the government of our Nation, may be above those laws.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 2074. A bill to amend the Federal Trade Commission Act in order to grant the Commission authority to directly enforce subpenas issued by the Commission and to directly seek preliminary injunctive relief to avoid unfair competitive practices which violate laws enforced by the Commission. Referred to the Committee on Commerce.

CONTINUANCE OF EXISTING TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENT

AMENDMENT NO. 282

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

LEGISLATION TO STRENGTHEN FTC SUBPENA AND INJUNCTIVE RELIEF AUTHORITY NEEDED TO IDENTIFY AND AVOID UNFAIR COMPETITIVE PRACTICES

Mr. JACKSON. Mr. President, today I am introducing legislation in the form of a bill and an amendment which will give to the Federal Trade Commission major new statutory authority which is designed to enable the Commission to carry out its mandate to protect the public interest through prompt and aggressive enforcement of the laws it administers.

The need for this legislation was brought to my attention in connection with the Interior Committee's Study of National Fuels and Energy Policy. On May 31, I wrote to the Chairman of the Federal Trade Commission and requested the Commission to:

Prepare a report within thirty days regarding the relationship between the structure of the petroleum industry and related industries and the current and prospective shortages of petroleum products. This report should be accompanied by such staff reports, investigations and documentary materials as the Commission may have made or obtained which are relevant to comprehension of this issue by the Congress.

The purpose of my request for this report was to develop the facts as to whether the increasingly widespread conviction that the fuel shortage is a deliberate, conscious contrivance of the major integrated petroleum companies to destroy the independent refiners and marketers, to capture new markets, to increase gasoline prices, and to obtain the repeal of environmental protection legislation has any truth or substance.

This is an important question and the American consumer as well as responsible public officials need to have some hard answers as soon as possible.

On June 5, the Chairman of the Federal Trade Commission responded to my letter and stated that he had asked the Commission staff to report the findings of its intensive investigation into the structure, conduct and performance of the petroleum industry no later than July 1, and that this information would be made available to me as soon as possible.

Subsequently, questions were raised by the committee staff as to the present ability and legal authority of the Commission to deal with situations comparable to the current petroleum emergency. On June 15, following discussion between the Interior Committee staff and the staff of the Federal Trade Commission, Mr. Ronald M. Dietrich, General Counsel to the Commission, wrote me a letter on this matter. The General Counsel's letter noted that while the Commission's investigative powers are broad enough to discover problem situations such as those existing in the petroleum industry, there are shortcomings. The letter states that:

The shortcomings of the Commission's present power are in the potential for delay in existing subpoena enforcement procedures and in its inability to obtain preliminary relief once the problem has been fully discovered.

The Commission has sought for a long time to have two specific powers to increase its ability to deal in an expeditious manner with such important problems. These two powers are the statutory authority to seek directly in the federal district courts preliminary injunctions against the continuance of anti-competitive conduct ("unfair methods of competition") as well as deceptive practices, and the corresponding statutory authority to proceed to federal district court itself to enforce its own subpoenas and to require reports from businesses under Section 6(b) of the Federal Trade Commission Act. At the present time, proposed legislation, S. 356 and H.R. 20, contain language which would give the Commission power to seek preliminary injunctions in deceptive practice situations. But they do not include the corresponding power to restrain the continuance of anti-competitive conduct. The power to seek such preliminary injunctions should, in my opinion, be available to the Commission in both deceptive practices and in anticompetitive conduct situations.

Mr. President, the purpose of the bill I am introducing today is to grant the Federal Trade Commission the full range of powers and legal authority it needs to both identify and prevent unfair methods of competition and anticompetitive conduct.

Because of the urgent need for this legislation and in view of the fact that similar authority was passed by the Senate in the last Congress as a part of the Magnuson-Moss Warranty Act, I am also having this measure printed as an amendment. It is my intention to offer the bill as a floor amendment to a pending measure.

Without this new authority the Federal Trade Commission is hampered in its efforts to protect the American consumer from deceptive and unfair competitive practices. This authority is needed now to assist the Commission in its investigation into the causes of the current shortages of gasoline and other petroleum products.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that the text of the correspondence on the FTC investigation of the petroleum industry and the investigation now under way by the Permanent Investigations Committee be printed at this point in the RECORD.

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

S. 2074

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 "Subpoena and Injunctive Relief Amendments Act of 1973."

FINDINGS

SEC. 2. (a) The Congress hereby finds that the investigative and law enforcement responsibilities of the Federal Trade Commission have been restricted and hampered because of inadequate legal authority to enforce subpoenas and to seek preliminary injunctive relief to avoid unfair competitive practices.

(b) The Congress further finds that as a direct result of this inadequate legal authority significant delays have occurred in a major investigation into the legality of the structure, conduct and activities of the petroleum industry, as well as in other major investigations designed to protect the public interest.

PURPOSE

SEC. 3. It is the purpose of this Act to grant the Federal Trade Commission the requisite authority to insure prompt enforcement of the laws the Commission administers by granting statutory authority to directly enforce subpoenas issued by the Commission and to seek preliminary injunctive relief to avoid unfair competitive practices.

SEC. 4. Section 5(l) of the Federal Trade Commission Act (15 U.S.C. 45(l) is amended by striking subsection (l) and inserting in lieu thereof the following new paragraph:

"(l) Any person, partnership, or corporation who violates an order of the Commission after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $10,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the Attorney General of the United States or by the Commission in its own name by any of its attorneys designated by it for such purpose. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense. In such actions, the United States district courts are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate in the enforcement of such final orders of the Commission."

SEC. 5. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following new subsection:

"(m) Whenever in any civil proceeding involving this Act the Commission is authorized or required to appear in a court of the United States, or to be represented therein by the Attorney General of the United States, the Commission may elect to appear in its own name by any of its attorneys designated by it for such purpose."

SEC. 6. Section 6 of the Federal Trade Commission Act (15 U.S.C. 46), is amended by adding at the end thereof the following proviso:

"Provided: That the exception of 'banks and common carriers subject to the Act to regulate commerce' from the Commission's powers defined in clauses (a) and (b) of this section, shall not be construed to limit the Commission's authority to gather and compile information, to investigate, or to require reports or answers from, any such corporation to the extent that such action is necessary to the investigation of any corporation, group of corporations, or industry which is not engaged or is engaged only incidentally in banking or in business as a common carrier subject to the Act to regulate commerce."

SEC. 7. Section 13 of the Federal Trade Commission Act (15 U.S.C. 53) is amended by redesignating "(b)" as "(c)" and inserting the following new subsection:

"(b) Whenever the Commission has reason to believe—

"(1) that any person, partnership, or corporation is violating, or is about to violate any provision of law enforced by the Federal Trade Commission, and

"(2) that the enjoining thereof pending the issuance of a complaint by the Commission and until such complaint is dismissed by the Commission or set aside by the court on review, or until the order of the Commission made thereon has become final, would be in the interest of the public—

the Commission by any of its attorneys designated by it for such purpose may bring suit in a district court of the United States to enjoin any such act or practice. Upon a proper showing that such action would be in the public interest, and after notice to the defendant, a temporary restraining order or a preliminary injunction may be granted without bond: *Provided, however,* That if a complaint is not filed within such period as may be specified by the court after issuance of the temporary restraining order or preliminary injunction, the order or injunction may be dissolved by the court and be of no further force and effect: *Provided further,* That in proper cases the Commission may seek, and, after proper proof, the court may issue a permanent injunction. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business."

SEC. 8. Section 16 of the Federal Trade Commission Act (15 U.S.C. 56) is amended to read as follows:

"SEC. 16. Whenever the Federal Trade Commission has reason to believe that any person, partnership, or corporation is liable to a penalty under section 14 or under subsection (1) of section 5 of this Act, it shall—

"(a) certify the facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of such section or subsection; or

"(b) itself cause such appropriate proceedings to be brought."

U.S. SENATE, COMMITTEE
ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., May 31, 1973.

The Honorable LEWIS A. ENGMAN,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: Over the past six months every section of the nation has experienced serious shortages of heating oil, gasoline, diesel fuel and propane. These shortages—especially gasoline and diesel shortages—threaten to become critical within the next few months. Shortages of fuel oil next fall and winter are certain. They may be the most serious ever experienced in this country.

You are undoubtedly aware of the growing and increasingly widespread conviction that the fuel shortage is a *deliberate, conscious contrivance* of the major integrated petroleum companies to destroy the independent refiners and marketers, to capture new markets, to increase gasoline prices, and to obtain the repeal of environmental protection legislation. Allegations and some circumstantial evidence of this sort are coming increasingly from oil independents, consumer organizations, students of the industry, Members of Congress, and from the chief legal officers of local and State governments.

As Chairman of the National Fuels and Energy Policy Study authorized by S. Res. 45, I recognize that the origins of the current fuels shortages are complex. They involve, among other things, stringent environmental regulations, a lack of refining capacity, an incentive system that is not producing desired results, the need for deep-water port facilities, and many other factors.

One major cause of the shortage which should not be overlooked or minimized is the present Administration's incomprehensible and foolish reliance last summer on the clearly incorect and self-serving recommendations of major oil companies that import controls should be maintained; that refined products should not be imported; and the assurance that refinery capacity would be adequate to meet all demands for petroleum products over the next year.

We know, for example, that Texaco's Chairman of the Board wrote General Lincoln, then the Director of the Office of Emergency Preparedness, last July objecting to the granting of more import quotas for finished products and stating that there is "sufficient refining capacity available in the U.S. to meet anticipated demand for clean products over the balance of this year." We know that the President of Humble Oil (now Exxon, U.S.A.) assured General Lincoln in September that "Humble could not speak for the remainder of the industry but felt in a tight situation the industry would do its best including going beyond its contract commitments if it were capable of doing so . . ."

While I am not yet ready to definitively conclude that the current crisis can be fully explained in terms of "conspiracies" between or "excessive market power" exercised by a relatively few oil companies this does pose a major question of public policy which deserves careful review and analysis. The very fact that the so-called "conspiracy theory" is supported by circumstantial evidence and that it does have credibility among knowledgeable observers of the industry makes an in-depth investigation mandatory. If investigation shows that the current shortages have been calculated and engineered for private profit or advantage, legislation will be required to effectuate fundamental changes in the structure and operation of the petroleum industry.

Later in this letter I will be requesting the Federal Trade Commission to undertake an investigation of this matter.

Whatever the ultimate cause or causes of the shortages it is indisputable that they threaten to extinguish the independent refining and marketing sectors as a viable competitive force in the petroleum industry. It is furthermore a fact that retail gasoline and fuel prices—the price consumers pay—have risen drastically and will continue to rise. At the same time, the earnings of the five biggest oil companies jumped by 26 percent between the first quarters of 1972 and 1973.

The earnings of Exxon, the largest oil company in the United States, jumped by an amazing 43 percent. The earnings for 27 smaller oil companies jumped by 32.1 percent during the same period.

The fact that oil company earnings show startling increases during a period of time when the companies are under price controls, when independents are being put out of business, and when the American consumer cannot get gasoline also raises fundamental questions of public policy. This is particularly true in view of the disturbing signs that the present shortages are being accompanied and perhaps caused by major structural changes in petroleum marketing which could seriously limit competition.

The strength, efficiency, and economy of America's oil industry has been based on the high degree of competition at the retail level afforded by numerous companies supplying the same market. It is a classical first step of any small group of companies who wish to restrain trade and raise prices to first centralize their marketing areas so as to reduce competition. Indeed it is the purpose of the Federal Antitrust Laws to assure that there is adequate competition. Some of the disquieting market limiting instances—all within the past few months—are as follows:

Gulf is withdrawing in Michigan, Maryland, Iowa, Wisconsin, Delaware, Minnesota, North Dakota, South Dakota, Kansas, Nebraska, Montana, Wyoming, Washington, Oregon, Idaho, Utah, Nevada and Northern California. They are just getting out of those areas and have a $250,000,000 withdrawal program under way.

Exxon is selling 150 retail service stations in Indiana, Illinois, Wisconsin and Michigan and possibly an additional 250 stations.

Phillips by October 1, 1973, is withdrawing from New England all the way as far south as Maryland and Northern Virginia.

British Petroleum has sold its New York State marketing network to United Refinery. West of Hudson, New York, it is giving no new supplies to its jobbers. BP has notified its jobbers in New Jersey, Rhode Island and part of Massachusetts that their contracts will soon be cancelled.

Atlantic Richfield Company is selling its terminal and bulk plant in Mississippi. ARCO is also divesting itself of a 32,000 barrel a day refinery in Sinclair, Wyoming. It is dropping 2,400 retail outlets in Colorado, Idaho, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri and parts of Louisiana, Alabama and Oklahoma.

Amoco, according to trade reports, plans to pull out of the Western United States with the exception of Washington and Oregon.

Sunoco is withdrawing from North Dakota, South Dakota, Nebraska, Wisconsin, Minnesota, Kansas, Tennessee and the Metropolitan Chicago area. However, it is excluding certain other metropolitan areas such as Omaha, Eastern Kansas, Memphis and its Interstate Highway outlets.

Fina will purchase the BP marketing properties in Georgia and Florida and part of those in North Carolina and South Carolina.

There are instances of other oil companies which are abandoning certain "uneconomical" areas. Moreover, many of these and other major oil companies are apparently terminating existing dealer franchises and, *at the same time,* establishing new chains of dealerships under new second and third name "fighting brands."

It is highly suggestive to those who have studied the dynamics and structure of the national and international oil corporations which dominate the industry and the patterns of marketing that all of these factors and results are *not* happenstance. In major respects they may represent conscious, knowing decisions to shift traditional profit centers from "production" in historically, low

cost, profitable Mid-east sources to the downstream sources of "refining" and "marketing" both in the United States and Europe. This shift in profit taking sources was compelled by the nationalistic attitude of Mid-East nations to control their own resources and to maximize host government revenues. On the basis of available evidence I do not charge or allege conspiracy; I do, however, charge that corporate self-interest, acting in response to friendly, timid and often incompetent Administration policy, has led to a situation in which oil industry corporate managers—without meeting, without collusion, without conspiracy—are led, invited, and encouraged: (1) to squeeze out the independents; and (2) to force the price of gasoline and other petroleum products up and up.

It is not clear to me or to other Members of Congress what all of these fast moving events and changes mean, nor what relationship they bear to the shortages of crude oil and petroleum products. The sole purpose of this letter is to get a detailed, objective, and judicial judgment on the issues which have been raised in connection with the current fuels crisis. It is in the national interest to have a strong, viable and competitive industry that is privately owned and has the confidence of the public.

I am hereby requesting the Federal Trade Commission to prepare a report within thirty days regarding the relationship between the structure of the petroleum industry and related industries and the current and prospective shortages of petroleum products. This report should be accompanied by such staff reports, investigations and documentary materials as the Commission may have made or obtained which are relevant to comprehension of this issue by the Congress.

Later today, Senator Humphrey and I will be introducing an amendment to S. 1570, the "Emergency Petroleum Allocation Act of 1973," which will authorize and direct a more detailed six-month study by the Federal Trade Commission of this and other important questions concerning the petroleum industry, its changing structure and operation, and the causes of the current shortages. I am enclosing a copy of the amendment and a table from the May 14, 1973 *Oil and Gas Journal*, showing earnings and profit performance of 32 oil companies in the first quarter of 1973.

Sincerely yours,

HENRY M. JACKSON,
Chairman, Senate Study of A National Fuels and Energy Policy.

HOW 32 COMPANIES PERFORMED IN THE FIRST QUARTER

Company	Net profit [1] ($1,000) 1st quarter 1973	Percent change from 1972
Exxon	508,000	+43.1
Texaco	264,016	+14.8
Gulf	165,000	+18.7
Mobil	155,800	+10.1
California Standard	152,800	+24.2
Subtotal	1,245,616	+26.0
Indiana Standard	121,100	+21.5
Shell	80,233	+49.2
Tenneco	53,413	+14.4
ARCO	50,303	+52.2
Sun	49,146	+42.3
Conoco	47,500	+11.5
Phillips	43,448	+22.1
Union	38,300	+28.1
Amerada Hess	36,706	+25.1
Cities Service	34,400	+17.4
Getty [2]	27,006	+20.6
Marathon	24,165	+49.6
Pennzoil	19,624	+——
Sohio	17,500	+——
Signal	16,202	+——
Ashland	15,900	+46.7
Kerr McGee	11,876	+20.
Skelly	9,961	+——
Occidental	8,934	+57.8
Murphy	6,452	+57.7
Clark	4,846	+——
American Petrofina	4,735	+105—
Tesoro	4,271	+86.8
Quaker State	3,604	+——
Kewanee	3,017	+——
Corco	2,806	+——
Apco	889	−34.0
Subtotal	736,337	+32.1
Total	1,981,953	+28.2

[1] Excludes extraordinary items.
[2] Includes Getty's share of Mission Corp., and Skelly Oil Co.

FEDERAL TRADE COMMISSION,
Washington, D.C., June 5, 1973.

The Honorable HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of May 31, 1973, concerning the present shortage of petroleum products.

As I am sure you are aware, for more than a year the Commission staff has been conducting an intensive investigation into the structure, conduct and performance of the petroleum industry. This investigation is close to completion. There are a number of important hearings scheduled throughout the month of June, and the staff will continue to utilize every available resource to expedite the completion of the hearings and the assimilation and analysis of the latest evidence.

I have asked the staff to report its findings to me no later than July 1, and the Commission will certainly endeavor to provide you with the information which you seek as soon as possible.

Sincerely yours,

LEWIS A. ENGMAN.

FEDERAL TRADE COMMISSION,
Washington, D.C., June 15, 1973.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In the course of discussions between your staff and the staff of the Bureau of Competition, it is my understanding that questions were raised as to the present ability of the Commission to deal with situations comparable to the current petroleum emergency. The Commission's investigative powers clearly are broad enough fully to discover problem situations such as that existing in the petroleum industry. The shortcomings of the Commission's present power are in the potential for delay in existing subpoena enforcement procedures and in its inability to obtain preliminary relief once the problem has been fully discovered.

The Commission has sought for a long time to have two specific powers to increase its ability to deal in an expeditious manner with such important problems. These two powers are the statutory authority to seek directly in the federal district courts preliminary injunctions against the continuance of anticompetitive conduct ("unfair methods of competition") as well as deceptive practices, and the corresponding statutory authority to proceed to federal district court itself to enforce its own subpoenas and to require reports from businesses under Section 6(b) of the Federal Trade Commission Act. At the present time, proposed legislation, S. 356 and H.R. 20, contain language which would give the Commission power to seek preliminary injunctions in deceptive practice situations. But they do not include the corresponding power to restrain the continuance of anticompetitive conduct. The power to seek such preliminary injunctions should, in my opinion, be available to the Commission in both deceptive practices and in anticompetitive conduct situations.

In the event I can give you any further information with respect to the Commission's needs in this area, I will be very happy to do so.

Sincerely yours,

RONALD M. DIETRICH,
General Counsel.

FEDERAL TRADE COMMISSION,
Washington, D.C., June 15, 1973.

The Honorable HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in reference to discussions between staff of the Federal Trade Commission and the Senate Committee on Interior and Insular Affairs, and your letter of May 31, 1973, to Chairman Engman with regard to our current investigation of the petroleum industry.

Chairman Engman has advised you by letter dated June 5, 1973, that a report will be submitted to him no later than July 1, 1973, by Commission staff concerning the competitive situation in the domestic petroleum industry. A report will be made to your Committee on the same subject as soon as possible thereafter.

In your letter of May 31 you asked that the Commission also provide the Committee with petroleum company documentation and internal Federal Trade Commission staff memoranda developed through the course of the petroleum industry investigation. It is respectfully requested that these requests be reconsidered.

Release of company documentation would materially interfere with the progress of the petroleum investigation and the Commission's law enforcement responsibilities. To date, the Commission has experienced a high degree of cooperation on the part of petroleum industry members in that they are promising to produce a large volume of confidential and competitively sensitive business documentation without the necessity of serving subpoenas. Loss of their voluntary cooperation in providing such confidential documentation would greatly impede further progress of the investigation.

Secondly, release to your Committee at this time of internal staff memoranda might jeopardize the staff's strategies as it conducts investigatory hearings, analyzes industry structure and practices, and prepares to make appropriate recommendations.

Sincerely yours,

RONALD M. DIETRICH,
General Counsel.

U.S. SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., June 20, 1973.

Hon. LEWIS A. ENGMAN,
Chairman, Federal Trade Commission, Washington, D.C.

DEAR MR. CHAIRMAN: Yesterday members of your staff and the General Counsels for the Interior and Insular Affairs Committee and the Permanent Subcommittee on Investigations, both of which I chair, met to follow up on our recent correspondence dealing with investigations of the relationship between the current fuels shortages and the structure, conduct and activities of the petroleum industry. The discussions between members of our respective staffs focused on the request made in my letter of May 31, 1973, for a report on this matter within thirty days together with relevant staff reports, investigations and documentary materials prepared or obtained by the Commission on this matter.

You will recall that on June 15, 1973, in a

letter to me your General Counsel, Mr. Ronald M. Dietrich, "respectfully requested that these requests be reconsidered," primarily because, in his view, the turning over of company documentation might result in their release and thereby cause termination of the voluntary cooperation of the major petroleum companies in "promising to produce a large volume of confidential and competitive sensitive documentation without the necessity of serving subpoenas." It should be noted here that although there was a press report to the contrary, neither your General Counsel nor any other Commission representative has at any time refused to provide all of the material I have requested.

In proceeding with this important investigation I do not wish to in any way impede the ongoing investigation of the Commission pursuant to its statutory mandate. I am sure, however, that you understand that neither can the Congress abdicate its investigative, oversight and legislative responsibilities. It is my view that a joint effort, calling on the powers and resources of the Commission and the Congress would be most beneficial to the American public and would insure that answers to these questions which are of such great importance to the American people are forthcoming at an early date.

Accordingly, I propose that the appropriate members of our respective staffs meet prior to your formal transmittal to me of the report cited in your letter of June 5, 1973, to determine which of the staff reports, investigations and documentary evidence the Commission has developed would be relevant to the Subcommittee's investigation. Materials and documents delivered to you by companies with reasonable restrictions on confidentiality would be maintained. Any Commission materials which are shown to be pertinent to pre-litigation strategy would, of course, only be used for internal purposes by the Members of the Subcommittee and authorized legal counsel to the Subcommittee.

As a result of discussions between our respective staff members the General Counsel to the Commission sent me a second letter on June 15, 1973, concerning inadequacies in the Commission's statutory authority to enforce subpoena and to seek preliminary injunctive relief to avoid unfair competitive practices. I intend to introduce legislation within the next few days which would grant the Commission the requisite authority to insure prompt enforcement of the laws the Commission administers. If there are other areas in which new legislative authority is needed, I would greatly appreciate it if you would bring them to my attention.

I look forward to the receipt of the report which your June 5 letter states will be presented to the Commission by the FTC staff on July 1, 1973. I am informed that the report will reflect the most intensive inquiry into this area ever undertaken by a Federal agency. Without prejudging the report's conclusions or recommendations, I want to commend the members of the Commission and the Commission staff for your efforts in undertaking this important investigation.

In view of the indeterminate amount of time it will take the Commission to review the Commission's staff report before formal transmittal to me, I would appreciate it if you would arrange for designated members of my Subcommittee staff to be briefed by the Bureau of Competition on the report and for me to receive, on a confidential basis, an advance copy of the report when it is transmitted by the staff to the Commission. This will expedite the Subcommittee's investigation and will insure that the investigation proceeds on an informed, responsible and objective basis.

Finally, I want to assure you and the other members of the Commission that you will have my full cooperation on this important inquiry. If I or members of my staff may be of any assistance do not hesitate to call upon me.

Sincerely yours,

HENRY M. JACKSON, *Chairman.*

By Mr. GURNEY:

S. 2076. A bill to establish in the State of Florida the Egmont Key National Park. Referred to the Committee on Interior and Insular Affairs.

Mr. GURNEY. Mr. President, as part of the continuing effort to preserve the heritage and beauty of America, I am introducing a bill which would make Egmont Key, the gateway to Tampa Harbor, a national park.

It is not often that you can find a piece of America 2½ miles long and a half mile wide which encompasses such a broad sweep of American history and yet retains the distinctive features and landmarks from which that history was carved.

Egmont Key is just such a place. Its strategic location, in the mouth of the biggest bay and harbor on the west coast of Florida, attracted Ponce de Leon as early as 1513. Subsequently, after the British took possession of east Florida, the key was named after a high ranking British colonial official.

Soon after the Americans took over in 1821, a then-unknown engineering officer in the U.S. Army named Robert E. Lee headed an expedition to make recommendations for the military defense of the west coast of Florida. Egmont Key and neighboring Mullet Key subsequently became military reservations.

At first, Egmont Key was an informal outpost for troops from Fort Brooke. Then, during the second Seminole Indian war, it became a prison—a function for which it was also used during the Civil War. In addition, Egmont Key was used as a headquarters by Union troops blockading Tampa Harbor.

The significance of the harbor, and fear of a possible Spanish Naval attack on it during the Spanish American War, caused the U.S. Government to build two forts—one for mortars and the other for longer range artillery—plus extensive barracks and brick roads on Egmont Key. Some of the walls for this complex were 3 feet thick and much of it still remains intact—thanks to the isolation of Egmont Key and the fact that it has not been subjected to commercial development.

World War I saw the Army use the key as a training base for a field artillery company and in World War II it was used by the Air Force. Now, its military role is over but its navigational importance remains undiminished. The Coast Guard continues to operate a 121-year-old lighthouse there and the Tampa Bay Pilots Association is headquartered there. As they have for years, coast guardsmen and harbor pilots guide the ships of the world to Egmont and then into Tampa Harbor.

Aside from the pilots and the Coast Guard only 29 other residents share the beauty and the history of Egmont Key. The beaches are beautiful, the forts remain largely intact and examples of Spanish architecture are still to be found.

It is truly a unique area, unspoiled by recent development, unhurried by the fast pace of modern living, and ideal as a national park—to be used and appreciated by those desiring a rich recreational and historical experience. It seems hard to believe, now, that Tampa, Fla., could have once been considered a point vulnerable to foreign attack—but once it was and future generations of Americans should be able to not just read about it, but be able to see how Americans of that time protected themselves from that threat.

Mr. President, the local governments in the area are strongly in favor of action being taken to protect Egmont Key and to keep it preserved for the enjoyment of present and future generations. Furthermore, the three Congressmen representing the affected area have submitted a bill similar to mine in the House of Representatives.

If we are to be consistent in our desire to protect those unspoiled areas of historical, recreational, and ecological importance then, we should not overlook Egmont Key and we should move as quickly as possible to make it a national park.

Mr. President, I ask unanimous consent that the text of my proposal be printed in the RECORD at the conclusion of these remarks.

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

S. 2076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established the Egmont Key National Park in the State of Florida, to consist of that area of land and water described in the succeeding provisions of this Act.

(b) The Secretary of Transportation is authorized and directed to transfer to the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") the land under his jurisdiction in Egmont Key, Florida, as described in section 2 of this Act, and which has been declared excess property by the Administrator of the General Services Administration. The lands and waters transferred to the Secretary under this subsection shall comprise the Egmont Key National Park and shall be administered by the Secretary through the National Park Service. Under the direction of the Secretary, the National Park Service shall administer, protect, and develop the park subject to the provisions of the Act entitled "An Act to establish a National Park Service and for other purposes", approved August 25, 1916 (16 U.S.C. 1 et seq.). The Secretary may apply any other statutory authority available to him for the conservation and management of natural resources to the extent he finds such authority will further the purposes of this Act.

SEC. 2. The land and waters specified in the first section of this Act are more particularly described as follows:

That certain tract or parcel of land described as Egmont Key, lying in section 26, township 33 south, range 15 east Hillsborough County, Florida, containing 393 acres more or less, and bounded on the west by the Gulf of Mexico, and on the east by the waters of Tampa Bay.

SEC. 3. As soon as the transfer authorized by the first section of this Act has been completed, the Secretary shall establish the Egmont Key National Park by publication of notice thereof in the Federal Register.

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

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

S. 2078. A bill to require the Secretary of the Army to make a survey for flood control purposes in the county of San Luis Obispo, Calif. Referred to the Committee on Public Works.

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to authorize the Army Corps of Engineers to conduct a survey of San Luis Creek and its tributaries to determine the best means of providing flood control and protection throughout the San Luis Obispo Basin, Calif. I am pleased that my colleague from California (Mr. TUNNEY) is joining me as cosponsor of this bill. The bill is similar to H.R. 3013 already introduced in the House by Mr. TALCOTT of California.

In January of this year, the city of San Luis Obispo was hard hit with more than 6 inches of rain in 3 days, leaving more than $4 million damage, primarily to private homes, roughly between 800 and 1,000 homes were flooded and 80 to 90 businesses suffered damage. An estimated 100 cars were abandoned as they were caught at flooded intersections or driveways. The county subsequently was declared by the President as a national disaster area.

San Luis Obispo experienced similar heavy rains in a 1969 storm when a record 13.68 inches of rain fell in 4 days. A national disaster declaration also was made then. As in 1973, rains brought down trees and other debris, clogging the city storm drains, particularly at bridges over San Luis Creek. San Luis Obispo residents naturally are concerned that although the debris-ridden creek has been cleared and the severely eroded banks have been restored to their earlier condition, flooding could occur again at any time in the future.

The city of San Luis Obispo, in deciding what steps should be taken to provide permanent protection, last week concluded that Federal help is needed. The San Luis Obispo City Council adopted a resolution urging Congress to authorize a corps study of San Luis Creek and its tributaries. I am introducing this bill in response to the city's request.

It is hoped that a comprehensive study by the corps of the entire 65-mile drainage system in San Luis Obispo County will provide a series of alternatives and recommendations for flood protection in the entire San Luis Obispo Basin. Such a study needs to look at floodflows from Reservoir, Questa, and Stenner Canyons into San Luis Creek, and drainage of Profumo Canyon as it relates to Laguna Lake. This legislation, however, by no means sanctions the authorization of a Federal flood control project. It should be up to the citizens of San Luis Obispo, and their city and county government officials, to decide what protective systems, if any, should be implemented once the corps investigation is completed and recommendations made.

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

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

S. 2078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized and directed to cause a survey for flood control and allied purposes to be made under the direction of the Chief of Engineers in the vicinity of the County of San Luis Obispo, California. The Secretary shall report to Congress as soon as possible after its completion, the result of such survey.

By Mr. PELL (for himself and Mr. KENNEDY):

S. 2080. A bill to provide for the establishment of rail passenger service development corporations, and to make available Federal assistance to encourage the development of improved rail passenger services in transportation corridors in the United States. Referred to the Committee on Commerce.

Mr. PELL. Mr. President, today I am introducing for myself and the senior Senator from Massachusetts (Mr. KENNEDY) a bill entitled "The Rail Passenger Service Development Act of 1973."

This bill, I believe, contains important solutions for our Nation's railroads—especially in densely populated areas where rail passenger service of essential value, not only to meet transportation requirements, but also to assist in the conservation of energy and to help alleviate the problems of air pollution.

I believe this bill, which is national in scope, involves both significant long-range solutions, as well as solutions to meet the immediate crisis of continued railroad service in the Northeast section of our country. As we all know, this crisis is rapidly reaching the breaking point.

While this bill is addressed specifically to improved railroad passenger service, it also bears on improved freight service along main routes of travel.

The crisis facing our railroads in the Northeast affects the Nation as a whole. Some initial emergency steps may well be needed to forestall it. However, I believe the bill I am introducing could in itself provide a means for resolving that crisis, and a framework for future development, both regionally and nationally. In addition, I believe it can provide a means for turning losses into profits, giving us the basis for a viable railroad enterprise at minimal risk and cost to our Government and our taxpayers.

In many ways the bill I am introducing is a logical continuation of the development which I first proposed for the Northeast corridor in 1962. It will apply the fruits of research, development, and demonstrations resulting from the Northeast corridor transportation project and the High Speed Ground Transportation Act of 1965 which President Johnson initiated, and, which I am proud to say, stemmed from my own efforts on behalf of improved rail passenger service.

The essential objective of this bill is to provide for the setting up of passenger service development corporations to be the vehicles of finance of major improvements to facilities for rail passenger service. Upon the designation by the Secretary of Transportation of a corridor needing rail passenger transportation development, a public corporation would be formed to acquire and develop railroad property essential to passenger service. The corporations will be empowered to issue obligations guaranteed by the U.S. Treasury. The Secretary of the Treasury is directed by the bill to ascertain that financial soundness of the guaranteed obligations of the corporations be such that the revenues of the corporations will be sufficient to meet interest and principal repayments. In this respect, the bill does not contemplate that the development corporations will need regular appropriations of funds.

The development corporations will not themselves be operational but rather will contract with the National Rail Passenger Service Corporation for the management, marketing and promotion of passenger services and with operating railroad companies for its provision. The bill also provides that upon request of State and local government agencies the development corporations will on a fully reimbursed basis accept responsibility for commuter rail service. This arrangement should produce efficiencies which will improve commuter transportation and reduce its cost.

Because of the variety and individuality of major transportation corridors throughout the country, I believe that separate corporations, as deemed appropriate, will best be able to specialize in meeting specific corridor needs, requirements, and priorities. I have, therefore, provided for this flexibility in the bill.

An important provision of the bill is that after designating the primary rail passenger transportation corridors in the United States the Secretary of Transportation must establish a project planning organization for each corridor which will determine the need for and the costs of major improvements to rail passenger transportation. These project organizations, drawing upon both State and Federal personnel for staffing, will assure that rail improvements in each corridor are soundly conceived and planned, and coordinated with public expenditures on other modes. When the Secretary finds that an adequate basis of planning exists, and that rail passenger development in a corridor is needed, he must then proceed to establish a passenger service development corporation for that corridor.

The development of rail passenger facilities by the corporations would be keyed to need and the state of technology of high speed ground transportation. It would be expected that development in some corridors would proceed beyond the current mode of rail passenger service to more advanced forms resulting from work carried out in the high speed ground transportation program. More exotic modes such as tracked air cushion vehicles, magnetically levitated vehicles, monorails and so on would be possibilities for development and application.

This bill, and development which would follow its enactment, will help to achieve the balance which every student of transportation believes is necessary for maximum service benefit to the pub-

lic. In addition the development of improved rail passenger service would provide important alleviation to environmental and resource problems which have descended upon the country in recent years. Studies which the U.S. Department of Transportation has done show that commercial passenger aircraft emit 2.7 times as many pounds of pollutants per million passenger miles as high speed trains, buses 21.8 times as many pounds of pollutants, and private autos 27.3 times as many pounds of pollutants as high speed trains. In energy consumption, too, which is of great current moment, the Department of Transportation has found that trains are highly efficient. An electrically powered passenger train consumes 925 Btu's per passenger mile, commercial buses 740 Btu's, passenger cars 1,600 and trunk airlines, 4,100 Btu's per passenger seat-mile. It is very clear that on the combined scores of energy conservation and environmental impact, rail passenger transportation is far out ahead of the other modes. On those grounds alone it is inconceivable that we should not now begin to provide for the reestablishment and redevelopment of this resource which for so long has been allowed to fall into disrepair.

Perhaps few would quarrel with the proposition that improved rail passenger service can provide the greatest benefits to those parts of the country where traffic congestion, pollution, and energy waste are greatest. Generally these areas are in the transportation corridors which connect large metropolitan areas, such as New York, Chicago, and St. Louis, Los Angeles, San Francisco, and Seattle to name but a few. In these corridors population and economic activity have grown in the past several decades at very high rates. In recent days the Environmental Protection Agency has announced that in the Los Angeles area and northern New Jersey automobile use must be curtailed in the interest of breathable air. For these reasons this bill directs its attention first to the "megalopolitan" corridors where the public's health is threatened and where the inefficiencies of private transportation are most egregious. Recognizing that each of these transportation corridors has distinguishably different characteristics in the mix of economic activities, climate, resource structure, and transportation facilities, it has seemed desirable that each should have its own development corporation, responsive to its particular needs. The bill provides that both the planning for improved rail passenger transportation and the operation of the development corporations will involve local interests and local policies.

Mr. President, the energy crisis, brought home to nearly everyone in the Northeast in these recent torrid days when power supplies have had to be curtailed, demonstrates again with intense emphasis the need for planning of these facilities and services on which the public depends heavily. During the 1960's the Johnson administration pushed ahead with planning for transportation improvements in the Northeast corridor so that by 1969 a blueprint had been laid down for improvements to the railroad between Washington and Boston which would yield very large benefits to the public. Corollary to and in support of this planning a demonstration of improved passenger service—the Metroliners—was initiated which has proven to be extraordinarily successful. Parenthetically I should point out that the Metroliners have been successful from a Government fiscal point of view as well. In the neighborhood of $2.2 million is owed by the Penn Central to the Federal Government under the terms of the contract for the Metroliner demonstration. The observation hardly needs making that it is an unusual program which can return money to the Federal Government.

In one respect, perhaps, the Metroliners were too successful because very little more has been done to develop passenger service in the Northeast corridor, despite evidence in reports released by the Department of Transportation that very substantially increased revenues would be obtained from service improvements. It is true that the Metroliners have relieved many of the pressures which built up in the late 1960's on commercial aviation capacities in the Northeast. However, it appears that the problems of congested highways and accompanying pollution have continued almost unabated. Somehow rail service for shorter distances in the Northeast corridor must be so improved as to cost, trip time, and frequency that travelers will be attracted out of their private automobiles and on to the trains. It is evident that social benefits of substantial magnitude will result. So far as the Northeast corridor is concerned passage of this bill is most urgently needed. What has been so clearly demonstrated in the Northeast corridor is almost certainly true in other corridors of the country. In my judgment this general enabling legislation is needed in order to begin an orderly process of planning and development of rail passenger service throughout the country.

Mr. President, I cannot end my discussion of this bill without providing some specific information about how the passenger service development corporation would work out in the Northeast. Studies done by the Department of Transportation show that capital expenditures of approximately $700 million over 5 fiscal years would provide 5-stop service in 2½ hours between Washington and New York and 4-stop service in 3 hours between New York and Boston. Revenues would flow in during the construction period from continuously upgraded service as improvements were completed. In the years after completion of the $700 million capital expenditures, revenues would exceed operating costs and carrying charges by increasing amounts. I might point out that the record of the Northeast corridor transportation project in predicting passenger responses to improved services has been on target, proven by the Metroliner and Turbo train experiences. By 1985 the revenue surplus over operating costs and annualized expenses for capital improvements would be approximately $40 million per year. Over 30 years it would approximate $75 million per year.

The revenue surplus would be available to meet the cost of purchasing or leasing the existing Penn Central line between Washington and Boston. Various estimates of the worth of the corridor rail line property have been made. They vary depending on whether ICC figures are used, liquidation values, and so on. An estimate of the fair worth of the land and facilities used for intercity passenger service is probably no more than $500 million. The surplus of $75 million per year would very easily support the annualized capital cost of such acquisition.

This leads me to a very important point; namely, that Federal acquisition of the Northeast corridor rail line either through lease or purchase would provide very important relief to the nearly defunct Penn Central Transportation Co. which operates the corridor line. On July 2 next the Federal judge in the Penn Central financial reorganization will consider whether the Penn Central can be restored to financial viability. The reorganization trustees have stated that unless drastic reductions are made in mileage, service and personnel, the Penn Central can not meet its cash requirements. There is little disposition in the regions served by the Penn Central or among the employees to embrace such drastic remedies, and it is quite clear that the public interest in the services of the Penn Central is very substantial. Yet there is also reluctance in the administration and also here in the Congress to provide bail-out financial aid to the Penn Central. A takeover of the corridor railroad by a publicly owned passenger development corporation with provision for continued operation of freight services by leaseback arrangements would provide a private basis for greatly improving the cash position of the Penn Central.

It would also avoid a precipitate rescue operation and possibly the first poorly considered steps toward nationalization. It is quite clear that eventually the Federal Government will find it necessary to take responsibility for the development of rail passenger service in the Northeast. That step, it is widely believed, is inevitable. Considering the energy and pollution crises, and the threatened breakdown of the Penn Central Railroad, it would appear to be eminently sensible to take this sound action.

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

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

S. 2080

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 "Rail Passenger Service Development Act of 1973."

FINDINGS OF FACT

SEC. 2. The Congress finds—

(a) that the development of improved rail passenger transportation services in the primary transportation corridors of the United States is hampered by lack of organization for development and by inadequate funding:

(b) that improved rail passenger trans-

portation would be a low cost, non-polluting, environmentally conserving alternative to other modes of transportation whose development has been encouraged by Federal funds:

(c) that demonstration projects already undertaken in the Northeast corridor have made manifest that improvements in corridor rail passenger transportation services are practicable, economic and socially desirable;

(d) that in a number of transportation corridors in the United States the social benefits of public investment in rail passenger transportation would exceed social costs by wide margins; and

(e) that the development of balanced transportation facilities, including rail passenger transportation, is essential to the health and welfare of the people of the United States.

STATEMENT OF PURPOSE

SEC. 3. The primary purpose of this Act is to provide for the development of improved rail passenger services in transportation corridors in the United States placing major responsibility for development upon the States and local governments along with private agencies. It provides for Federal aid to the planning of improved rail passenger services, establishes the procedures under which rail passenger service development corporations can be formed, and authorizes under certain conditions the funding of development to be carried out by individual rail passenger service development corporations.

PLANNING OF RAIL PASSENGER TRANSPORTATION DEVELOPMENT

SEC. 4. (a) The Secretary of Transportation (hereinafter referred to as the "Secretary") is authorized and directed to determine the primary rail passenger transportation corridors in the United States and to plan for their development as integral parts of balanced national and regional transportation systems. For each designated corridor the Secretary shall, under his supervision and in coordination with the governors of States within or adjacent to such corridors, within six months after enactment of this Act, establish project planning organizations which will determine the extent of need for and the social costs of improved rail passenger transportation. The Secretary shall within two years after the establishment of each corridor project organization report to the Congress the results of its findings of social needs and costs of development of improved rail passenger transportation.

(b) The Secretary may in corridors where he determines that an adequate basis of planning already exists proceed immediately to the establishment of one or more rail passenger service development corporations.

(c) The funding for planning of corridor rail passenger transportation development shall be from regular appropriations to the Department of Transportation for research and development. The Secretary is authorized to make grants from such funds to States individually or jointly for aid in the planning process.

FORMATION OF RAIL PASSENGER SERVICE DEVELOPMENT CORPORATIONS

SEC. 5. (a) The Secretary upon finding need for improved rail passenger transportation service within a designated corridor shall establish a Federal rail passenger service development corporation for such corridor.

(b) The Secretary shall appoint to head each such corporation a board of directors composed of five members who shall be selected to represent appropriate fields of expertise to carry out the functions of the corporation. Each such director shall (1) serve at the pleasure of the Secretary, and (2) be compensated at a rate to be fixed by the Secretary for time spent carrying out the duties of such a director, but not to exceed the per diem equivalent of the rate authorized for grade GS–18 by section 5332 of title 5 of the United States Code, and be allowed travel expenses including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

POWERS OF THE CORPORATIONS

SEC. 6. (a) Each rail passenger service development corporation formed for a designated corridor shall assume responsibility for the operation and development of rail passenger service in such corridor including the installation of technologically advanced types of high speed ground transportation.

(b) In carrying out their functions under this Act the corporations—

(1) shall have succession in their corporate names;

(2) may adopt and use corporate seals, which shall be judicially noticed;

(3) may sue and be sued in their corporate names;

(4) may adopt, amend, and repeal bylaws, rules and regulations governing the manner in which their business may be conducted and the powers vested in them may be exercised;

(5) may make and carry out such contracts or agreements as are necessary or advisable in the conduct of their functions;

(6) may appoint and fix the compensation, in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, of such officers, attorneys, and employees as may be necessary for the conduct of their functions, define their authority and duties, delegate to them powers vested in the corporations;

(7) shall determine the character of and the necessity for their receipts, obligations and expenditures, and the manner in which they shall be received, incurred, allowed and the necessity for their receipts, obligations applicable to government corporations; and

(8) may exercise such other powers as necessary.

FUNCTIONS OF RAIL PASSENGER SERVICE DEVELOPMENT CORPORATIONS

SEC. 7. Each rail passenger service development corporation is authorized and directed to—

(a) acquire by purchase or by lease railroad and other property necessary for the development of rail passenger service;

(b) contract for and hold title to capital improvements such as, but not limited to, right-of-way, stations, terminals, communications facilities, and rolling stock for rail passenger service;

(c) contract with individual railroad companies, or other companies, for the operation and maintenance of rail passenger facilities including train operation, and for more advanced high speed ground modes;

(d) provide adequate facilities for necessary rail freight transportation in conjunction with rail passenger service, and such arrangements may include trackage rights, lease, and other necessary matters negotiated with individual common carrier railroad companies on a basis compensatory to each development corporation;

(e) upon request of a State or local government agency enter into contracts on a compensatory basis for the provision of local rail passenger services; and

(f) contract with the National Railroad Passenger Corporation for the management, but not including train operation, of intercity rail passenger service in its designated corridor. In the event of disagreement between a rail passenger service development corporation and the National Railroad Passenger Corporation, the terms of the contract shall be prescribed by the Secretary of Transportation in accordance with the intent of Congress that federal support to rail passenger transportation shall be provided through the rail passenger service development corporations.

APPLICABILITY OF THE INTERSTATE COMMERCE ACT AND OTHER LAWS

SEC. 8. (a) Each such development corporation shall be deemed a common carrier by railroad within the meaning of section 1 (3) of the Interstate Commerce Act and shall be subject to all provisions of the Interstate Commerce Act other than those pertaining to—

(1) regulation of rates, fares, and charges;

(2) abandonment or extension of lines of railroads utilized solely for passenger service, and the abandonment or extension of operations over such lines of railroads, whether by trackage rights or otherwise; and

(3) regulation of routes and service and, except as otherwise provided in this Act, the discontinuance or change of passenger train service operations.

(b) Each such corporation shall be subject to the same laws and regulations with respect to safety and with respect to the representation of its employees for purposes of collective bargaining, the handling of disputes between carriers and their employees, employee retirement, annuity and unemployment systems, and other dealings with its employees as any other common carrier subject to part I of the Interstate Commerce Act.

(c) Each such corporation shall not be subject to any State or other law pertaining to the transportation of passengers by railroad as it relates to rates, routes, or service.

(d) Leases and contracts entered into by each such corporation, regardless of the place where the same may be executed, shall be governed by the laws of the District of Columbia.

(e) Persons contracting with each such corporation for the joint use or operation of such facilities and equipment as may be necessary for the provision of efficient and expeditious passenger service shall be and are hereby relieved from all prohibitions of existing law, including the antitrust laws of the United States, with respect to such contracts, agreements, or leases insofar as may be necessary to enable them to enter into such contracts and to perform their obligations thereunder.

FINANCING THE CORPORATIONS

SEC. 9. (a) For the purpose of carrying out their functions under this Act, each development corporation may issue, upon the approval of the Secretary of the Treasury, and have outstanding at any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by each corporation, with the approval of the Secretary of the Treasury, to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations; but the aggregate amount of obligations of each corporation under this subsection shall not exceed $800,000,000. All obligations issued by the corporations under this subsection shall constitute general obligations of the United States backed by the full faith and credit of the United States.

(b) In approving the issue by individual rail passenger service development corporations of obligations backed by the full faith and credit of the United States, the Secretary of the Treasury shall give due regard to the future liquidation of such obligations by individual rail passenger service development corporations from the proceeds of their activities.

(c) The Secretary of Transportation, upon his finding of public convenience and necessity in designated rail passenger transportation corridors, and his determination that revenues from rail passenger service are inadequate to defray costs, may make grants-

in-aid to individual development corporations to enable them to meet such public convenience and necessity. In making his finding of public convenience the Secretary of Transportation is directed to consider environmental effects in addition to other social benefits and costs of rail passenger service.

FEDERAL AID

SEC. 10. There are hereby authorized to be appropriated to the Secretary of Transportation for grants-in-aid to individual rail passenger service development corporations $50,000,000 for the fiscal year ending June 30, 1974, $100,000,000 for the fiscal year ending June 30, 1975, and $100,000,000 for the fiscal year ending June 30, 1976. Such sums shall remain available until expended.

TAXATION

SEC. 11. Any real or personal property of the development corporations, including, without limitation, improvements made by the corporations pursuant to section 7, is deemed to be the property of the United States and is expressly exempt from taxation in any manner or form by a State, or political subdivision thereof, or by the District of Columbia. However, the corporations shall make payments to States, political subdivisions thereof, and the District of Columbia in lieu of property taxes on property acquired in fee by corporations under section 7 of this Act. The amount of such payments shall be determined by the Secretary of the Treasury and shall not be in excess of nondiscriminatory taxes which would have been payable on such property in the condition in which it was acquired.

PROTECTION OF EMPLOYEES

SEC. 12. Any contract for the construction or improvement of rights-of-way or facilities under this Act shall include fair and equitable arrangements, as certified by the Secretary of Labor, to protect the interests of individual employees affected in their employment by such contract. The construction and improvement of rights-of-way acquired under this Act may be performed by railroads or by others: *Provided*, That such contracting with other than railroads shall not adversely affect railroad employees performing track construction or improvement, and work under collective bargaining agreements on the division of the line of railroad involved: *Provided further*, That if such other contractors are used, the contracts shall provide for the hiring of furloughed railroad employees from the division of the line of railroad involved who are skilled in such work before any other construction personnel are hired. Each rail passenger service development corporation shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the performance of construction work under any contract for the construction or improvement of rights-of-way or facilities under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. In addition to sums authorized pursuant to section 10 there are authorized to be appropriated such additional amounts as may be necessary to carry out the provisions of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 35

At the request of Mr. HOLLINGS, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 35, to amend the Internal Revenue Code of 1954 to permit the deduction without limitations of medical expenses paid for certain dependents suffering from physical or mental impairment or defect.

S. 405

At the request of Mr. CASE, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 405, to promote public confidence in the legislative, executive, and judicial branches of the Government of the United States.

S. 440

At the request of Mr. JAVITS, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 440, the War Powers Act.

S. 632

At the request of Mr. CHURCH, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of S. 632, to amend title II of the Social Security Act to increase the amount which individuals may earn without suffering deductions from benefits on account of excess earnings, and for other purposes.

S. 1298

At the request of Mr. HATHAWAY, the Senator from Rhode Island (Mr. PELL) and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 1298, to provide public service employment opportunities for unemployed and underemployed persons, to assist States and local communities in providing needed public service, and for other purposes.

S. 1828

At the request of Mr. ROBERT C. BYRD, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1828, to require Senate confirmation of the head of the Mining Enforcement and Safety Administration.

S. 1868

At the request of Mr. HUMPHREY, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 1868 a bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law abiding member of the international community.

S. 1907

At the request of Mr. BURDICK, the Senator from Michigan (Mr. HART) was added as a cosponsor of S. 1907, to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service.

S. 2026

Mr. HUMPHREY. Mr. President, on behalf of Senator AIKEN and myself, we ask unanimous consent that the Senator from Alabama (Mr. SPARKMAN), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Michigan (Mr. GRIFFIN), the Senator from Maryland (Mr. MATHIAS), the Senator from Kansas (Mr. PEARSON), and the Senator from South Dakota (Mr. MCGOVERN) be added as cosponsors of S. 2026, to amend the Foreign Assistance Act of 1961, and for other purposes.

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

S. 2049

At the request of Mr. PERCY, his name was added as a cosponsor of S. 2049, to revise and restate certain functions and duties of the Comptroller General of the United States, and for other purposes.

SENATE JOINT RESOLUTION 71

At the request of Mr. MONDALE, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Joint Resolution 71, to establish a National Commission on Health Science and Society to provide a study and evaluation of the ethical, social, and legal implications of advances in biomedical research and technology.

SENATE CONCURRENT RESOLUTION 35—SUBMISSION OF A CONCURRENT RESOLUTION IN RECOGNITION OF THE 225TH ANNIVERSARY OF WASHINGTON AND LEE UNIVERSITY

(Referred to the Committee on the Judiciary.)

Mr. BROCK submitted the following concurrent resolution:

SENATE CONCURRENT RESOLUTION 35

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States extends its greetings and congratulations to Washington and Lee University, Lexington, Virginia, on the occasion of the observance and celebration by that institution of its two hundred and twenty-fifth anniversary, and expresses its recognition of the contribution which Washington and Lee University has made to educational excellence, and its appreciation of the leadership role which many distinguished alumni of Washington and Lee have played in the life and affairs of this Nation.

SENATE CONCURRENT RESOLUTION 36—SUBMISSION OF A CONCURRENT RESOLUTION TO ENCOURAGE NATIONAL CONSUMER EFFORT TO SAVE GAS AND TO ARRIVE ALIVE

(Referred to the Committee on Commerce.)

Mr. GURNEY. Mr. President, I am today submitting a Senate concurrent resolution for myself and my distinguished colleague from West Virginia, Senator RANDOLPH, calling for an immediate, coordinated, national effort to alleviate the shortage of retail gasoline supplies, decrease safety hazards on high-speed roads, and of no small importance, to save money for operators of motor vehicles. A concurrent resolution is being introduced in the House of Representatives by Congressman JAMES A. HALEY, of Florida.

Many people, including certain petroleum companies, have indicated that if motor vehicles were to travel at slower speeds, enough gas might thereby be saved to get us through the summer with a minimum of gasoline shortage problems.

Everyone knows that traveling at slower speeds is part of intelligent defensive driving—it simply decreases the risk of accidents. My own State of Florida, in June of 1970, launched a publicity campaign for safety on the

State's roads called the "arrive alive" program. Using publicity films given to various public interest and public service groups, spot radio announcements, and publicity campaigns by the highway patrol, it achieved, with Federal sponsorship, tremendous success. The Florida highway death rate, measured by deaths per million miles driven, dropped from 5.8 in June of 1970 to 4.5 in December of 1972.

Furthermore, there is substantial evidence that for each mile per hour traveled above 45 miles per hour there is a drastic increase in fuel consumption per mile. With today's high prices, for fuel and almost everything else, all of us are looking for ways to save money. Traveling at slower speeds is one way to do it.

Therefore, let us call upon our Nation's citizens, the media, and our State governments, to join in a national effort, between the Fourth of July and Labor Day—September 3, 1973—to travel at lower speeds on high speed roads on weekends and holidays.

Senator RANDOLPH successfully introduced an amendment to Senator JACKSON's bill, S. 1570—the mandatory fuel allocation bill, which expressed that it was the sense of the Senate that, in general, posted speeds on Federal-aid highways ought to be permanently reduced, and that Federal, State and local agencies should make the public aware of the need to conserve gasoline.

S. 1570 passed the Senate and now awaits action by the House of Representatives. That bill is an important one. Hearings are now scheduled to begin in the House of Representatives in mid-July.

But we in Congress can do more than sit back and wait for that bill to make its way through the rest of the legislative process.

The gasoline shortage is upon us; the great surge of summer traffic is upon us. We should therefore tap the goodwill and intelligence of the American people by enlisting their immediate support in alleviating the gasoline shortage, and increasing safety on our Nation's roads.

I want to emphasize that while gasoline companies claim that the gasoline shortage is a result of inadequate supplies of crude oil, others allege that the shortage is a result of anticompetitive structure of the gasoline industry or a conspiracy or premeditated plan by members of that industry. I am a member of the Senate's Antitrust and Monopoly Subcommittee and the Permanent Investigations Subcommittee, and we are investigating those allegations. But the ultimate solution to the shortage will take time. What we need in the meantime is action which will alleviate the shortage.

Mr. President, this Senate resolution is based upon a need and a desire—a need to do something fast to help assure that Americans have sufficient gasoline to travel in their automobiles and the desire of many Americans, who see inadequate or tardy Government action on the energy crisis, to do something to help our country meet this important challenge.

In view of the fact that in today's society the American citizen so seldom feels he can help his Government, we in Congress should do all we can to let the citizen know when he has a real opportunity to do so.

What will it really mean for our citizens to travel at lower speeds? The statistics are dramatic. The following information is provided by Concern, Inc., of Washington, D.C.:

Speeding is a costly consumer of fuel. The average car driven between 75 and 80 miles per hour will consume almost twice as much per mile as the same car driven at 50 miles per hour.

Furthermore, I am informed by various experts in the gasoline industry that down to forty-five—45—miles per hour, every ten —10—miles per hour reduction in speed results in an approximate, average savings in fuel consumption of ten—10—percent. These statistics vary between different cars and driving conditions, as well as with driving techniques. But the clear consensus of opinion supports these statistics.

Mr. President, my Senate resolution targets this national effort to motor vehicle travel during weekends and holidays on high speed roads. It is limited in this fashion in order to maximize the most crucial element of all—the publicity potential. Here, the media, television, radio and newspaper, can play a key role. If we simply launched a summer campaign, the effect of the initial publicity would soon fade. But if just before each summer weekend and holiday, publicity efforts by the media and State and local agencies is renewed, the American citizen will have a fresh reminder all through the summer months of the continuation of this national campaign.

I am informed by the American Automobile Association that automobile travel during the summer months of July, August, and September is greater than any other 3-month period. The relevant statistics of fuel consumption are approximately as follows.

	Percent
Jan., Feb., and March	23.05
April, May, and June	25.18
July, Aug., and Sept.	26.19
Oct., Nov., and Dec.	25.58

These statistics are even more revealing when one breaks out monthly surges of gasoline consumption. The U.S. Department of Transportation figures for monthly gasoline consumption in 1972 are as follows:

Month:	Percent
January	6.45
February	6.83
March	7.73
April	8.20
May	8.58
June	9.34
July	9.92
August	9.98
September	8.80
October	8.61
November	7.99
December	7.57

Statistics compiled by the U.S. Department of Transportation from traffic counter stations in Illinois indicate clearly that fuel consumption surges on Saturdays and Sundays, and even to a significant extent on Fridays.

Mr. President, my Senate concurrent resolution provides an easy way by which Americans can publicize their low speed travel. If, when traveling on high speed roads on weekends and holidays, they simply turn on their headlights, they can encourage their fellow travelers to join with them in the campaign to slow down, save gas, save lives, and save money.

Mr. President, in addition to calling for consideration of this Senate resolution at the earliest possible time, I ask each of my distinguished colleagues in the Senate to contact the Governors of their respective States and appropriate individuals and groups, including the media, in their own States in order to enlist their support in this nationwide, summertime campaign.

I have myself informed authorities in the State of Florida of this proposed resolution and have asked that where possible funds be made available to sponsor appropriate publicity efforts throughout the State, including the use of publicity efforts by the State highway patrol—such as the mounting of signs on highway patrol cars—and other law enforcement agencies. I have also contacted the U.S. Department of Transportation and asked that any funds available for the publicity of safety campaigns be made available on an equitable basis to Federal, State, local, and/or private entities in such a fashion as to maximize the publicity potential of this effort.

In conclusion, I would like to emphasize that Congress must press forward in its various efforts to deal with the energy crisis in general and the gasoline shortage in particular. This means rapid action on S. 1570, and on another bill by Senator JACKSON, of which I am a cosponsor, S. 1283, the National Energy Research and Development Act of 1973. We also must press forward on the hearings before the Senate Antitrust Subcommittee and the Subcommittee on Permanent Investigations, to learn more about the causes of our gasoline shortage.

Mr. President, I ask unanimous consent that my Senate concurrent resolution be printed in the RECORD following these remarks.

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

S. CON. RES. 36

Whereas, our nation faces a shortage of retail gasoline supplies; and

Whereas, the causes of and solutions for this shortage are now being investigated by Congress, and any solutions proposed may not be implemented in time to alleviate the predictable exacerbation of the shortage of such supplies due to increased motor vehicle traffic on our nation's roads between July 4, 1973, and September 3, 1973; and

Whereas, there is substantial evidence that for each mile per hour traveled above 45 miles per ("high speed travel") there is a substantial increase in gas consumption per mile in contrast to that at lower speeds, and

that the cost per mile of gasoline at high speed travel is greater than that at lower speeds; and

Whereas, that there is substantial evidence that safety will be increased on our nation's roads if motor vehicles travel at lower speeds; therefore, be it

Resolved, that it is the sense of the Senate (the House of Representatives concurring) that—

(1) Each operator of a motor vehicle should be encouraged, when traveling during weekends or holidays, between July 4, 1973, and September 3, 1973, on any road where the posted speed limit is fifty-five (55) per hour or greater to—

(a) travel at a speed no greater than ten (10) miles per hour less than the posted speed limit;

(b) turn on the headlights of his or her motor vehicle in order to publicize his or her participation in a national consumer effort to decrease consumption of motor vehicle gasoline and to increase safety on the nation's roads.

(2) The Governor of each state should as soon as practicable, make state funds available on an equitable basis and encourage private and other governmental organizations within the state to make funds available on an equitable basis. to state and local agencies, including but not limited to state highway patrols and traffic safety organizations, and to appropriate private organizations or individuals, for the purpose of encouraging motor vehicle operators to observe the provisions of 1., above.

(3) The television, radio and print media should publicize, to the maximum extent possible, the details of this Resolution in such a fashion as to encourage motor vehicle operators to observe the provisions of 1., above.

(4) Each Federal agency which has or can make funds available through such agency's own programs or to state or local governments or to private organizations or individuals, for the purpose of publicizing traffic safety efforts, should do so to the maximum extent possible, and as soon as practicable, for the purpose of encouraging motor vehicle operators to observe the provisions of 1., above.

LEGAL SERVICES CORPORATION ACT—AMENDMENT

AMENDMENT NO. 281

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

Mr. BROCK (for himself and Mr. HELMS) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes.

CONTINUANCE OF EXISTING TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 282

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

Mr. JACKSON (for himself and Mr. MAGNUSON) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

AMENDMENT NO. 283

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

Mr. CHURCH submitted an amendment, intended to be proposed by him, to House bill 8410, supra.

AMENDMENT NO. 284

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

Mr. CHURCH (for himself and Mr. MONDALE) submitted an amendment, intended to be proposed by them, jointly, to House bill 8410, supra.

AMENDMENT NO. 285

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

Mr. BELLMON. Mr. President, today I am submitting an amendment to H.R. 8410, the temporary debt ceiling bill, which would permit a taxpayer to recover reasonable court costs including attorney fees when he successfully challenges an adverse Internal Revenue Service ruling in court.

The language of this amendment is identical to S. 1535, which I introduced on April 11. At present, this bill is cosponsored by Senators ABOUREZK, BARTLETT, BEALL, BIBLE, CANNON, DOMENICI, GURNEY, MCGOVERN and STAFFORD.

The need for the enactment of this proposal is quite clear. Our tax laws and the regulations governing their implementation have become so complex that they are rarely understood by the average citizen. Thus, expensive legal services become an absolute necessity when differences between taxpayers and the IRS arise. Often taxpayers who are innocent of wrongdoing find it more expedient and less expensive to give in to the demands of the IRS than to contest the alleged shortage in an appropriate court.

Because of the built-in inequities of the present system even if the taxpayer prevails in court, he frequently loses financially due to the expense of contesting the claim.

Further, the Chief Judge of the U.S. Tax Court, W. M. Drennen, has stated both the need and fairness of this proposal in hearings on May 10 before the subcommittee of the Committee on Appropriations. In response to a question on whether or not a taxpayer should be permitted to recover the reasonable costs he expends in challenging the IRS, Judge Drennen stated:

> Yes, I think it would be more equitable I think in a lot of courts the costs are assessed that way. We just don't have any authority to do it.

When asked if this would greatly increase the caseload of the tax court, the judge stated that:

> It would to some extent, but nonetheless it still seems to me to be a fair thing to do.

Also, the judge indicated that this increased expense might make the Internal Revenue Service think twice before forcing a taxpayer to go to court.

I urge favorable Senate action on this proposal which rectifies an injustice of the present system and forces the IRS to be more cautious in its demands.

I ask unanimous consent that the text of this amendment be printed in full in the RECORD.

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

AMENDMENT NO. 285

At the end of the bill, insert the following new section:

SEC. — That (a) part II of subchapter C of chapter 76 of the Internal Revenue Code of 1954 (relating to Tax Court procedure) is amended by adding at the end thereof the following new section:

"SEC. 7465. RECOVERY OF COSTS.

"(a) IN GENERAL.—In any proceeding before the Tax Court for the redetermination of a deficiency, the prevailing party may be awarded a judgment of costs to the same extent as is provided in section 2412 of title 28, United States Code, for civil actions brought against the United States.

"(b) JUDGMENT.—A judgment of costs entered by the Tax Court shall be treated, for purposes of this subtitle, in the same manner—

"(1) as an overpayment of tax, in the case of a judgment of costs in favor of the petitioner, and

"(2) as an underpayment of tax, in the case of a judgment of costs against the petitioner.

No interest or penalty shall be allowed or assessed with respect to any judgment of costs."

(b) CLERICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7465. Recovery of costs.".

(2) Section 2412 of title 28, United States Code, is amended—

(A) by inserting "(a)" before "Except", and

(B) by adding at the end thereof the following new subsection:

"(b) In any civil action which is brought by or against the United States for the collection or recovery of any internal revenue tax, or of any penalty or other sum under the internal revenue laws, and in which the United States is not the prevailing party, a judgment for costs may include reasonable attorney's fees."

(c) EFFECTIVE DATE.—The amendments made by this Act shall apply only with respect to civil actions and proceedings for the redetermination of deficiencies commenced after the date of the enactment of this Act.

AMENDMENT NO. 288

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

DISC AMENDMENT TO H.R. 8410

Mr. STEVENSON. Mr. President, the Revenue Act of 1971 established a system whereby exporters of U.S. products can obtain tax advantages by establishing subsidiaries called DISC's. The purpose of the DISC system is to encourage exports.

Under present law, the President is permitted but not required to suspend DISC benefits for commodities the supply of which "is insufficient to meet the requirements of the domestic economy"—section 993(c)(3) of the Internal Revenue Code.

On June 25, Director Dunlop of the Cost of Living Council testified before the Senate Banking Committee that earlier this year the Council asked the Treasury to consider the possibility of suspending DISC benefits for a number of commodities which have experienced serious domestic price increases, including soybeans, animal feeds and steel scrap, and that Treasury is still studying the matter. Despite the fact that the President on June 13 requested from the

Congress "on an urgent basis" new authority to impose export controls on "animal feedstuffs and other grains", he has not exercised his authority to suspend the tax break enjoyed by companies who export those commodities through DISC's.

I see no reason why the Government should operate at cross-purposes, encouraging exports of a commodity through tax breaks on the one hand, and on the other curtail the exports of those same commodities.

I am therefore, with the Senator from Oregon (Mr. PACKWOOD) submitting an amendment to the debt limit bill requiring the President to suspend DISC benefits for any commodity whenever the export of that commodity is restricted pursuant to the short supply provisions of the Export Administration Act, and permitting him to suspend DISC benefits whenever he finds that the export of a commodity exerts serious upward pressure on the domestic price of that commodity.

I ask unanimous consent that the text of the amendment be reprinted at this point in the RECORD.

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

AMENDMENT NO. 288

At the end of the bill, add the following new section:

SUSPENSION OF DISC BENEFITS

SEC. —. Section 993(c)(3) of the Internal Revenue Code is amended by striking out the first sentence and inserting the following in lieu thereof:

"If the President imposes export controls under the authority conferred upon him by Section 3(2)(A) of the Export Administration Act on any property described in paragraph (1), he shall by Executive order designate the property as in short supply, and that designation shall remain in effect throughout the period during which such export controls are in effect. If the President determines that the export of any property described in paragraph (1) exerts serious upward pressure on the domestic price of that property, he may by Executive order designate the property as in short supply."

PLANNING OF TRANSIT LINES TO DULLES AND FRIENDSHIP AIRPORTS—AMENDMENT

AMENDMENT NO. 286

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

Mr. EAGLETON. Mr. President, I submit an amendment to S. 2047, a bill to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport road and for a feasibility study of rapid transit to Friendship International Airport. I ask that this amendment be printed.

The purpose of my amendment is to assure that the Federal Aviation Administration does not require air transportation service now operating from Washington National Airport to transfer to either of the two outlying airports until the improved access provided for by this bill is completed.

In January of this year, the FAA proposed a number of schedule changes at Washington National Airport which would work a serious hardship on the residents of Missouri and other distant States.

One of the major changes proposed is the elimination of all direct service between National Airport and cities beyond the radius of 650 miles from the Capital. That action would affect 67 flights to seven cities including St. Louis, Memphis, Minneapolis, Orlando, Tampa, Miami, and West Palm Beach. Thirteen of the affected flights are to and from St. Louis.

In addition, the FAA proposes to eliminate from National Airport all scheduled one-stop flights with final destinations of more than 1,000 miles from Washington. Among the 52 flights this would affect are the Denver, Las Vegas, Albuquerque, and San Francisco runs via St. Louis.

I am concerned by this proposal to elminate service which has been in effect since jet aircraft began using National in 1966. The alternative offered by the FAA—transfer of the flights to Dulles or Friendship Airports—would mean burdening affected travelers with additional expense and as much as 45 minutes to an hour traveling time each way.

My amendment would in no way prevent the FAA from stabilizing the number of flights from passengers at National at present levels if it so desired. It merely provides that no existing service should be forced to transfer to either Dulles or Friendship until the improved transportation we will be authorizing by this bill is completed.

In view of the impact these proposed schedule changes would have on large numbers of travelers in the Nation, I believe the amendment that I offer represents a reasonable limitation and is clearly in the public interest.

AMENDMENT OF OMNIBUS CRIME CONTROL AND SAFE STREETS ACT—AMENDMENT

AMENDMENT NO. 287

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

Mr. BAYH. Mr. President, on June 22, 1973, I submitted an amendment (No. 249) to H.R. 8152, to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968, to improve law enforcement and criminal justice, and for other purposes. Today, on behalf of Senators COOK, MATHIAS, ABOUREZK, BENTSEN, CASE, HART, HUMPHREY, KENNEDY, MCGOVERN, NELSON, PERCY, SCOTT of Pennsylvania, HATFIELD, and myself, I submit the identical amendment which I intend to propose to amendment No. 248 intended to be proposed by Mr. MCCLELLAN to the bill (H.R. 8152) to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to improve law enforcement and criminal justice, and for other purposes.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 229, TO S. 1033

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 1033, to amend the Export Act to control the export of timber from the United States.

ANNOUNCEMENT OF HEARING TO INVESTIGATE THE POTENTIAL FOR THE PRODUCTION OF POWER FROM GEOTHERMAL RESOURCES

Mr. CHURCH. Mr. President, on June 13, 1973, the Subcommittee on Water and Power Resources of the Senate Interior and Insular Affairs Committee held a hearing to investigate the potential for the production of power from geothermal resources. The Federal agencies which presently have an interest in the development of the geothermal resource presented testimony.

In one respect, the hearing was very encouraging. Every witness expressed the judgment that the geothermal resource of the United States offer a substantial opportunity to assist in meeting future national needs for electrical and heat energy. In another regard, however, I was disappointed with the apparent lack of direction and coordination among the Federal activities concerning geothermal resources and the low level of Federal financial support for exploration, research and development. The hearing record contains information which should be of interest to many Members of the Senate and I have directed the committee staff to prepare a summary report which will make the results of the hearings readily available.

An interesting aspect of the geothermal resource is its potential for the development of economical powerplants of relatively small capacity which could serve small utility systems and rural areas. Another aspect is the potential which geothermal resources may hold for western regions which have previously depended heavily upon hydroelectric developments to meet energy demands.

The Subcommittee on Water and Power Resources has scheduled a field hearing in Idaho Falls, Idaho, for August 10, 1973, to investigate further the regional potential for geothermal energy development in the West.

ADDITIONAL STATEMENTS

GAINS SEEN FROM WATERGATE

Mr. SCOTT of Pennsylvania. Mr. President, Godfrey Sperling's recent article for the Christian Science Monitor, solidly asserts that the distinguished majority leader, Senator MANSFIELD, has "moved strongly behind Mr. Nixon." In this interview with Sperling, Senator MANSFIELD says he believes that Watergate, instead of destroying President Nixon, will force the President to "correct the imbalance in power in Washington where he has assumed too much and taken too much away from Congress."

I commend Senator MANSFIELD for his enlightening and thoroughly nonpartisan view and ask unanimous consent that this interesting interview be printed in the RECORD.

There being no objection, the inter-

view was ordered to be printed in the RECORD, as follows:

GAINS SEEN FROM WATERGATE

(By Godfrey Sperling, Jr.)

WASHINGTON.—As the Watergate pressure on the President intensifies—with John Dean III now on the docket of the Senate-probe and John Mitchell due next—the Democratic leader in the Senate has moved strongly behind Mr. Nixon.

Senate Majority Leader Mike Mansfield says flatly: "I do not think that the President was involved."

In an interview, the Montana Senator also said that he envisioned Watergate ending up as a "boon" for both the presidency and for the American people as a whole.

"I think," he said, "that the foundation on which democracy rests may well become stronger as the result of what is being laid before the American people as this time."

Mr. Mansfield takes the position that Watergate, instead of destroying the President, has forced him to correct the imbalance in power in Washington, where he had assumed too much and taken too much away from Congress.

In the readjustment, Mr. Mansfield sees the President gaining, instead of losing, his capacity to bring about better government.

Calling for a "regeneration of ethics, a restoration of old-time morality and renewed dedication to the American system," Senator Mansfield said new enforceable laws were needed to regulate political campaigning.

The shock of Watergate will bring the new law soon, he said.

The Senator said the facts as they are laid out would eventually have to speak for themselves. "One cannot render a judgment on hearsay, or make a judgment this early," he said.

"But I do not think that the President was involved. I have no knowledge to that effect. Under the United States system of jurisprudence a man is innocent until proven guilty. We'll have to determine that—and we are a long way from knowing all the facts at this time."

Excerpts from the interview:

Do you think that Watergate has seriously cut into leadership on the President's part?

Yes, I think it has. But by the same token, it has brought about a better understanding between the Congress and the executive branch . . .

Do you think the President in the years remaining could make a comeback from Watergate — if he is not personally involved?

Yes, I think so. Because, after all, the President, as such, isn't nearly as important as the institution of the presidency. And the government must be run as responsibly as possible. We are prepared to do our share—meet him at least half way. And I think that we will be able to function on a more equitable basis . . .

What about the post-Watergate period? Will Watergate usher in a better day in politics and government?

Yes, I think there has been hope in this. Because many people have been shocked at this—that individuals would place their loyalty to the President above their loyalty to the country and to the Constitution, and in so doing endanger the office of the presidency, and in so doing endanger the constitutional democracy.

But it is a situation which will help to strengthen the bedrock of our system and perhaps will act as a catharsis in giving an opportunity to purge ourselves.

Frankly, I feel sorry for everyone concerned. The committee members have a difficult job. I feel sorry for the witnesses, their wives, their families. But I feel sorriest of all for the people as a whole.

Do you think that more legislation is needed?

We need more legislation—and legislation that will be enforceable; which will cut down on the amount of contributions an individual can make for a presidential or senatorial candidate; which will shorten the length of campaigns which have become unbearable and repetitious; which will bring about something of the order of a national primary on the same day so that all this showmanship, expense, and whatnot, will be done away with.

And rigid laws must be in effect so that phony letters like those used against (Senators) Muskie, Humphrey, and Jackson will be punishable—far more punishable than they are at the present time.

Do you think the shock of Watergate will help bring about this kind of legislation very soon?

I think so—yes.

Wholly apart from whether the President was personally involved in Watergate, was there an administrative responsibility on the part of the President for what has gone on?

Yes, that is a valid point. I think that Mr. Nixon delegated so much responsibility and put so much confidence in his subordinates that they took advantage of the confidence which was placed in them and they did the President and the nation a disservice in ways that are becoming apparent to all.

You have known the President a long time and seen a good deal of him these days. Is there anything in him—any personal characteristic—which you feel may have had a bearing on the Watergate incident?

Well, the President, fundamentally, is a loner. . . . But unfortunately when you get away from Washington, if you do it too much, you lose touch with events as they are really happening and you don't have the contacts you should have. The end result is that the government suffers to a degree because of the lack of this cooperation, this accommodation this partnership which is so vital to the functioning of this republic.

If you don't have this relationship of President and Congress, it throws the whole ship of state out of kilter and the end result is what we are facing at the present time. Our government operates on a very delicate balance and when that balance is disturbed, we get into serious difficulties.

Because of Watergate the President's effort to achieve better relations with Congress, are you saying that he could well improve his performance over the next three years?

Oh, yes. . . . You recall his Pekin (Illinois) speech the other day he said he wanted to work more closely with Congress in a spirit of understanding and partnership. We will meet him at least half way because we think it isn't the individual fortunes of each of us that counts so much as the strengthening of the institutions on which this country survives. And I would anticipate as the weeks and months approach there will be increasing understanding and cooperation between the two branches.

PRODUCTIVITY IN THE FEDERAL GOVERNMENT

Mr. PROXMIRE. Mr. President, the Joint Economic Committee, of which I am currently vice chairman, has for many years encouraged the improvement of measures of productivity in both the private and public sectors of the economy. As chairman of the committee in late 1970, I wrote to Comptroller General Elmer Staats to initiate a study of productivity in the Federal Government.

Mr. Staats has undertaken such a study and now he is about to issue a report on this vital issue. For the first time we may now have at hand a valid measure of output per man-hour in major areas of Federal Government activity. The study includes data for 187 organizational units in 45 different areas, covering 60 percent of civilian man-years in 1972.

Over the period from 1967 to 1972, the average rate of gain in productivity was 1.7 percent a year. Rates of gain among agencies and in different years varied greatly—from a negative figure to increases of 5 to 6 percent per year.

In order that the Congress gain a fuller insight into the factors involved, I will ask permission to have a speech by Mr. Staats on the preliminary findings inserted in the RECORD. After the final report is delivered, as chairman of the Joint Economic Committee's Subcommittee on Priorities and Economy in Government, I will ask Mr. Staats and other government witnesses and private experts to discuss the findings and indicate what next steps are appropriate to establish this very worthwhile project on a permanent basis and to determine how we can improve on the results thus far obtained.

Mr. President, I ask unanimous consent that the speech be printed in the RECORD.

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

MEASURING AND ENHANCING FEDERAL PRODUCTIVITY—A PROCESS REPORT

(Remarks by Elmer B. Staats, Comptroller General of the United States, at the Conference Board, Conference on Productivity, May 23, 1973)

I was most pleased that this conference of business leaders would consider it appropriate to invite me—as a representative of the Federal Sector—to join in your discussions of policies to promote productivity in the nation. Despite sporadic efforts over the past 35 years, the public sector has not only been considered unmeasurable in terms of what it produces but, as one authority has put it, past studies have assumed "a regrettable negative productivity rate in local, State, and Federal Governments."

We, in the Federal Government, are acutely aware of the need for assessing more precisely our performance record; and to do so in terms that are clear not only to ourselves, but to the American public. Our purpose must be to *expose* both to top agency management, the Congress, and the public, how well and how poorly our policies, programs, and managerial practices are achieving each year the twin goals of effective Government services while increasing economy and efficiency.

Underscoring the importance of our subject today is the rapid growth in public expenditures over the past decade. I need not burden you with a set of statistics to support this point. These facts are now known all too well to most of us. Suffice it to say that in the past decade Federal expenditures have increased at a faster rate than any other category of expenditures which make up the Gross National Product. Public attention has been properly focused on the need to improve the U.S. competitive position in world markets and to dampen inflationary pressures through productivity improvements. Happily, public attention is increasingly being focused increasingly on productivity in government at all levels.

Considering governmental expenditures from the standpoint of their effect on the economy, particularly in a period of inflationary pressures, we cannot overlook the fact that State and local government expenditures have risen much more rapidly than those of the Federal Government. When State and local government expend-

itures are added to those of the Federal Government, the total represents over one-third of the Gross National Product. Measured another way the governmental sector in the American economy in recent years has been growing twice as fast as the private sector.

Auditors and budget analysts and others in the GAO and operating agencies are constantly examining and evaluating individual activities and programs, and producing hundreds of reports each year.

It is true that we have been able to develop satisfactory indices for budgetary and management purposes in isolated cases, but no overall, governmentwide indices have been attempted and no overall guidelines developed for the measurement of them. Moreover, we have not in the past found ways of developing overall performance indicators so as to determine whether Federal productivity is benefiting from applying such tools as statistical sampling, systems analysis, organization development, and the automation of our massive industrial and clerical activities.

I frequently think of the analogy of the professional football team. If the only way the manager had to assess his team's performance was to keep records of a number of statistical indicators—such as yards gained, passes completed, first downs made, and so on—he would still not know how successful his team was in meeting its overall objective of winning games. In football we have ways of keeping score so that at the end of the game there is a net quantitative and highly visible result. You who manage businesses are fortunate in having such significant summary indicators as profit and loss, and earnings per share, by which both you and the public can gauge your performance, although I believe you would agree that there is not necessarily a high correlation between changes in productivity indices and the profit and loss statement.

THE FEDERAL PRODUCTIVITY MEASUREMENT RESEARCH PROJECT

The Joint Economic Committee of the Congress has, over the years, held many hearings on the subject of productivity in the private sector. Knowing of the interest of this Committee in the general subject, I visited with Chairman William Proxmire in the fall of 1970, inviting his support for the idea of a major effort to develop productivity indices for the Federal Government. The Bureau of the Budget had, in the early 1960s, undertaken a feasibility study on the subject and established a task force headed by John Kendrick, then of George Washington University and now of the Conference Board, to take the leadership in the study. The optimistic conclusions of that study gave support to the idea that the matter should not be dropped in view of its tremendous potential as a tool of management.

Chairman Proxmire subsequently wrote me as follows:

"In view of the importance of the Federal sector to the economy as a whole, and in view of the responsibility vested in Congress for controlling Federal expenditures, I find it distressing that we have no real measures of the efficiency of the Federal sector."

We are most appreciative of the continued interest and support of the Joint Economic Committee throughout this effort.

Following receipt of Chairman Proxmire's request, I decided to ask Director of the Office of Management and Budget George Shultz and Chairman Robert Hampton of the Civil Service Commission, whether they would be agreeable to undertake the project as a joint legislative-executive branch effort. I found that they had a similar strong interest in the subject. The three of us agreed that the time had come for a major effort to gauge the productivity of Federal activities which could be quantitatively measured. Outside of the Post Office, which has used overall measures for decades, and the Social Security Administration, other elements of Government had not learned how to construct measures of their final outputs in productivity terms.

Hence, we established a joint research project of the three agencies. The project team, which is just finishing two years of effort, is now preparing its report, due for completion by June 30. Today I can give you a preview of some of the findings which it will report to the current Director of the Office of Management and Budget, Roy Ash, Chairman Hampton, and myself—and which I, in turn, will report to Congress.

The report will cover:

1. The design of a permanent productivity measurement system.

2. Initial findings from research into the causes of productivity change in the Federal sector.

3. The importance of capital investment as a contributor to productivity improvement.

4. Other factors which provide incentives or disincentives to productivity change in the Federal sector.

Let me briefly highlight some of these findings.

THE DESIGN OF A COMPLETE PRODUCTIVITY MEASUREMENT SYSTEM

The challenge to our joint research project in the past two years has been to identify those Federal activities on which final outputs can be consistently counted from year to year and related to the resources consumed in their production. To answer this question, we initially consulted with all of the cabinet departments and several independent agencies. We found that all were measuring portions of their work for purposes of staff planning and distribution of resources. After a period of trial and error, and with expert assistance from the staff of the Bureau of Labor Statistics, we requested data last September from all agencies with 200 or more employees, requesting them to submit, for the six fiscal years 1967–72, specific data on their work products, and the man-years and wages consumed in the production of these products. Here is what has resulted:

We now have data from 187 organizational units in 45 different agencies.

The data cover over 1.7 million man-years of employment. This represents all Postal employees, almost one-third of Defense Department civilian employees, and almost two-thirds of the civilian employees of the remaining agencies of Government. Overall, the sample covers 60 percent of the civilian man-years worked in fiscal year 1972. Several organizational units reported that they were developing measures which in the future might raise the coverage another five to ten percentage points.

WHAT DO THESE DATA TELL US?

They give us, for the first time, broad perspectives on productivity changes among a variety of Federal activities. Here are some of the top findings of the data collected by the joint team for the six fiscal years 1967–1972.

The Federal activities in the sample showed annual rates of productivity improvement which varied from a low of 1.1 percent in 1969, to 2.8 percent in 1970, with an overall average gain of 1.7 percent.

In terms of reduced payroll costs, including fringes, the average savings resulting from productivity improvements has been $300 million per year—accumulating to $1.5 *billion* in fiscal year 1972.

But the Federal sector is probably the world's largest and most diversified conglomerate. It includes a number of organizations which have been increasing their productivity at five percent or more per annum—an excellent record. It includes other group activities which have shown declining productivity. And it includes activities whose productivity has tended to remain flat during the past few years. Hence a simple index of Federal productivity change, like trends in the productivity and profits of business enterprise as a whole, includes wide extremes.

This brings me to the second finding of the joint research project during the past two years, which analyzes:

FACTORS WHICH CAUSE PRODUCTIVITY CHANGE IN THE FEDERAL SECTOR

Productivity measurement would be rather meaningless if it consisted only of gathering statistics and adding up the results.

The important point is this—what do we do about the index after we obtain it? We have discovered that this is the most important value of productivity measurement in the Federal sector.

The relevant questions are:

Is the change which occurred the result of planned actions to improve either quantity or quality of performance? Or is the change simply a happenstance result?

What are the positive and the negative factors which produced the result?

How can we optimize productivity in relation to service to the public, accuracy of output, or other essential quality criteria?

What will be the trend in the future? What can we do about it now?

The joint team has asked questions of this type of a number of Federal managers. For this purpose, they grouped the 187 reporting organizations into functional categories which have a similarity of work processes or program mission. Altogether, they identified 16 such functional categories for study. Let me select a few to illustrate the kinds of insights that productivity research is giving to Federal managers.

1. Automation and management improvements have reduced wage costs over $200 million since 1967 in those organizations that maintain individual citizens' records.

This group of activities maintains records at some time or another on practically every citizen. They include, of course, the Social Security Administration, Internal Revenue Service, the Selective Service System, and others. Collectively, they employed 108,000 man-years in fiscal year 1972. Their gross output has surged ahead since 1967 at a rate of five percent a year. By use of automation and streamlined procedures, this group has been able to hold its employment growth to only two percent a year. Thus its productivity growth has averaged three percent a year; but in one year, it jumped five percent.

This is a case study in enlightened management planning—with the payoffs in productivity resulting from years of preparation, experimentation, and innovation.

2. The impact of automation on productivity has also been pronounced in the overhaul and repair of heavy equipment by the industrial activities of the Federal Government.

Here again we are dealing with large enterprises employing, collectively, 95,000 man-years. We found an annual rate of improvement in productivity of six percent—worth to the taxpayer between 1967–1972 at least $350 million in lower payroll costs. A key reason for the improvement has been a reduction in employment through modernization of plant and equipment, while workload has remained at a high level.

Looking ahead, however, it is probable that the productivity gain will level off due to the reduction in military activities. Incidentally the closing of unnecessary installations has been a contributor to productivity improvement in the past, since this has eliminated unnecessary capacity and made operations in the residual activities more efficient.

3. Fluctuations in the volume and complexity of work are a significant factor in productivity change from year to year.

Our studies reveal that activities experiencing continuous growth in workload—such as those involved in maintaining citizens'

records, grant programs, power-generating activities, transportation, Postal Services, and the Regulatory Agencies—have also showed steady improvement in their output per man-year. The pressure of continuous growth appears to foster systems improvements and to provide incentives for innovation which increase the output per person. We find real concerns, however, among some of these activities as to whether proper standards of service to the recipient, or minimum levels of quality, are being maintained. Analysis of this concern must be one of our continuing study objectives.

On the other hand, we find that a steadily declining workload makes it difficult to avoid deterioration in productivity. Two examples of this emerged from our research this year. One involves the large number of activities which purchase, store, and issue supplies to Federal users throughout the world. They employ 155,000 personnel and manage four million items. These supply activities are primarily in the military services and the General Services Administration. With the winding-down of Vietnam, their workload has been steadily dropping—at a rate, recently, of six percent a year. Surprisingly, however, these agencies, overall, have been able to avoid any loss in their productivity per man-year by reducing personnel assigned at least as fast as workload has decreased, as well as by a comprehensive program of mechanization. This is a very creditable accomplishment because it has meant a reduction in employment of 30,000 man-years—most within the past three years.

But activities in a down trend cannot always be so fortunate. Our study of 17 printing plants employing 13,000 personnel showed a steady drop in output with no reduction in employment since 1967—and a consequent decrease in productivity per man-year. Analysis of this trend revealed that under the agencies' policy of contracting out to commercial firms the easier jobs are being contracted—while the more difficult work is being kept in-house—thus reducing in-house productivity. There are also opportunities to improve our printing activities through modernization.

The last example I have chosen to illustrate is our research into what causes productivity change in Federal health care operations.

4. Federally-operated health care activities report that technology and constantly rising quality standards affect productivity.

Since 1967, total manpower assigned to medical facilities in the Defense Department, Veterans Administration, and Public Health Service has increased 11 percent, whereas the workload is up only two percent. As a result, output per man-year has dropped. But this is not cited to imply an undesirable trend.

Our medical managers report that it is a result both of more adequate staffing standards, and of the progress in medical technology which is steadily increasing the scope and cost of diagnostic and treatment procedures.

Now let us turn for a moment to the importance of capital investment as a contributor to productivity improvement.

THE IMPORTANCE OF CAPITAL INVESTMENT IN PRODUCTIVITY IMPROVEMENT

John Kendrick has been a long-time pioneer and supporter of the effort to measure and enhance Federal productivity. He concludes that new and improved capital goods—including the R&D, education, and training required to create and use them—have contributed about 60 percent of the improved productivity in the private sector over a long period of time. In the light of this finding, the joint project team has studied the ways in which Federal agencies now select capital items for inclusion in the annual budget.

The team found that the Federal manager sometimes lacks the incentive and opportunity to seek funds for cost-reducing capital investments.

In the private sector, top management and the Board of Directors are likely to keep the spotlight on such opportunities and on their timely financing.

In the Federal sector, cost savings projects tend to drop out of tight budgets when they are in competition with items related to program requirements or current priorities, such as pollution abatement, health, and safety.

To document the opportunities for more timely financing of productivity improving investments, the joint study team obtained data on unfunded projects from 14 agencies, and selected a number for analysis. The sample identified 394 projects which would be self-liquidating in less than three years—with one-time savings of $61 million, and recurring annual savings of $65 million. This sample is believed to cover only about half of the opportunities. Examples are modern materials handling equipment, tape-driven machine tools, automated laboratory equipment, mechanized warehouse, consolidation of facilities, and others.

The joint team's conclusions for accomplishing this very obviously desirable objective are:

First, the need for clear visibility in the Federal budget process of capital items with productivity-enhancement potential. This will require that such items be submitted by all agencies whether or not they fit within agency budget ceilings, and thus permit the Office of Management and Budget to consider the desirability of financing these projects.

Second, expert attention to the development of high payoff capital investment opportunities. A number of Federal agencies lack the engineering expertise to identify the most promising opportunities. Hence the joint project team has concluded that full-time attention by a central management agency, such as the Office of Management and Budget or the General Services Administration, should be provided in order to assist agencies to seek out opportunities and document their economic potential.

Third, there must be better audits of actual results obtained. One reason why such projects have tended to lack credibility and support in the past has been the failure to demonstrate that the benefits claimed were in fact, achieved—or if not, to evaluate the reasons.

Fourth, timely financing. While the joint study group has given considerable attention to special funding techniques, it has concluded that the above steps should be accomplished first, and their benefits fully tested. At that point the need for additional financing techniques—such as the Productivity Bank—can be further assessed.

I would like to conclude my remarks by mentioning briefly:

OTHER FACTORS WHICH PROVIDE INCENTIVES AND DISINCENTIVES TO PRODUCTIVITY CHANGE IN THE FEDERAL SECTOR

I am sure we all agree that productivity improvement will not succeed if it is simply and primarily aimed at driving employees to work harder. Richard Gerstenberg, Chairman of General Motors, captured our key findings in the following statement:

"I regard productivity as a measure of *management's efficiency*, or lack of efficiency, in employing all the necessary resources—natural, human, and financial."

John Kendrick has stated this theme, as follows:

"I believe that productivity measurement is even more important in increasing 'productivity-mindedness' and focusing *management thinking* on ways and means of cutting real unit costs and thus enhancing productivity advance in the future."

In our discussions with several hundred Federal managers during the past two years, we have been told that managerial initiative is sharply reduced:

When arbitrary personnel ceilings make it impossible to maintain adequate service standards, or result in the accumulation of intolerable backlogs.

When the requirement to reduce average salaries results in employing less qualified personnel who have higher attrition in the first year, and less promotion potential.

When savings achieved are withdrawn and made available to less efficient activities or,

When mandatory personnel cuts are applied, equally, to those who have achieved greater efficiency and to those who have not.

There are no easy solutions to such complaints since they are, in large measure, indicators of the need for a more enlightened attitude by top management in encouraging and rewarding good management. We plan to highlight good and poor experiences through continuing case studies.

We are likewise interested in the improvements which arise from providing employers broader opportunities to be involved in the final products of their organization, through such techniques as job enrichment, job restructuring, and participative management. In collaboration with the National Commission on Productiivty, we are now sponsoring a series of experiments in selected Federal activities.

Among case studies showing significant results in the experience of the Bureau of Customs in completing the processing of incoming foreign mail parcels at the gateway points, such as San Francisco, in lieu of forwarding the mail on to inland customs offices for final examination and distribution. This change has not only reduced the time required to process the mail, and increased productivity by eliminating an additional handling—but it also placed final responsibility on employees at the port of arrival and resulted in an upgrading of their jobs. As a consequence, everyone has benefited. We want to encourage more cases of this type.

CONCLUSION

While the joint research effort which I have been describing terminates on June 30 of this year, we are designing a permanent program to measure and enhance Federal productivity. We have found that the problems in measuring productivity in the Federal Government are not greatly different from those in the private sector, and the benefits are equally great.

I am proposing that the Federal Government continue to collect and analyze productivity data, annually, and to report to the President and to the Congress. We are pleased that the Bureau of Labor Statistics is preparing to serve as the data gathering, reviewing, and publishing agency for Federal sector indices, just as it now does for the private sector.

Last summer, when Senator Proxmire was apprised of the initial results of the joint productivity studies, he issued a press release in which he said:

"Now we have conclusive evidence that the Federal employee, like his counterpart in private industry, is contributing its part to progress in the American economy."

I consider this statement to be a sound conclusion for the past several years. It is my objective to support efforts which will continue to increase Federal productivity as one means of assuring the effectiveness of Federal programs and a full return on the taxpayers investment in governmental services.

VETERANS COST OF INSTRUCTION AMENDMENT TO AID TO EDUCATION OF THE HANDICAPPED ACT

Mr. PEARSON. Mr. President, approval of the Education of the Handi-

capped Act represents a recognition by the Senate that handicapped children must continue to receive Federal assistance in order to fully participate in our educational system. I believe that the 3-year extension tempered by realistic authorizations represents an intelligent and responsible approach to the problems of school age and preschool children who are deaf, blind, retarded, speech impaired, motor impaired, emotionally disturbed or otherwise health impaired.

In addition to the extension of the Education of the Handicapped Act, however, this bill contains an important provision regarding the veterans cost of instruction payments authorized pursuant to the Higher Education Amendments of 1972. When we adopted this measure on the floor during consideration of those amendments, the hope was expressed that the measure would provide institutions of higher education with the motivation and the money to recruit and to prepare veterans for postdischarge education.

The mechanism chosen to achieve these results was the requirement that institutions must increase their enrollment of undergraduate veterans by 10 percent over the preceding year in order to be eligible for the payments. In addition, certain program requirements were imposed upon eligible institutions.

While the intents of the amendment offered by the senior Senator from California, Mr. CRANSTON, were meritorious, the effect was not always equitable. A large number of universities which had previously made major efforts to enroll veterans found themselves constricted by the 10-percent requirement. While the larger university may have continued measures to provide for the veterans, the required increase in enrollment precluded their participation in the one program designed to aid their efforts.

A good example of this situation was found at Wichita State University in Kansas, as well as other large urban-oriented institutions. Wichita State, with a total enrollment of 12,896 students, had 1,735 undergraduate veterans enrolled during the past school year. This was an increase from 1,687 in the previous year. Although this meant that the university maintained one of the largest veterans' enrollments in the State, it was ineligible for assistance under the program.

The inequities of this situation are recognized by section 11 of the bill. It provides as an alternative to the 10-percent increase, that an institution with 10 percent of its total undergraduate enrollment will also be eligible for the veterans' cost-of-instruction payments. While this section still imposes a substantial requirement on the institution, it should alleviate the unintended inequities present in the current measure.

I also want to emphasize that the amendment makes no other alterations in the requirements of the bill. It continues the encouragement of adequate veterans programs and should provide an even greater benefit to universities who wish to aid the veterans enrolled in their institutions.

I have been in touch with the veterans program task force in the Office of Education for some time, and have also worked with the institutions of my State in an effort to gain relief from the stringent requirements of the Cranston amendment. For this reason, I am particularly pleased that the Senate has seen fit to approve the change in eligibility requirements for participation in the veterans' cost-of-instruction payments.

STUDENT FINANCIAL AID PROGRAMS

Mr. MONDALE. Mr. President, I received recently a very helpful series of fact sheets from the Office of Education on the various programs of Federal assistance to students.

I found this material to be concise, factual, and useful. In order that this material may be available to my colleagues and the public, I ask unanimous consent that it be printed in the RECORD.

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

INFORMATION FOR STUDENTS CONCERNING U.S. OFFICE OF EDUCATION FINANCIAL AID PROGRAMS

The student assistance programs described below will be in effect in the 1973–74 academic year.

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM (BEOG)

The Basic Educational Opportunity Grant Program, more commonly known as Basic Grants, is a new program of students financial aid which was added to Title IV, Part A of the Higher Education Act by the Education Amendments of 1972. This program provides for grants of $1400 less the expected family contribution for all eligible students to assist them in meeting educational costs. However, in no case may the BEOG exceed more than one-half the actual cost of attending the student's institution.

For the initial year of the program operation (academic year 1973–74), a student must be *beginning* his postsecondary education after July 1, 1973. He also must have been accepted for enrollment in, or be in good standing at an eligible institution of higher education which includes colleges, universities, vocational-technical schools, and hospital schools of nursing; and, he must be enrolled as a full-time student in an undergraduate course of study.

The Application for Determination of Expected Family Contribution, with detailed instructions, will be widely distributed sometime this month (June 1973) to high schools, postsecondary institutions, post offices, and other locations easily accessible to students.

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM (SEOG)

Is for students of exceptional financial need who without this grant would be unable to continue their education. Grants of up to $1,000 a year are available for 4 years of undergraduate study; and if you are selected for an SEOG, you will also receive additional financial aid at least equal to the SEOG amount. *The financial aid officer at your school selects those who will receive grants and determines the amount you will need.*

NATIONAL DIRECT STUDENT LOAN PROGRAM (NDSLP)

Makes it possible for you as an undergraduate to borrow up to $5,000 for your undergraduate study. Graduate and professional students may borrow up to $10,000 to complete their studies although it should be noted that this limitation includes any amounts borrowed as an undergraduate. *The financial aid officer on your campus is responsible for determining which students are eligible and the amount of the loan.* Repayment begins 9 months after you cease at least half-time study and may extend over a 10-year period. Interest charges of 3 percent also begin at the start of the repayment period. No repayment is required and no interest is charged for any period up to 3 years during which you are serving in the Armed Forces, Peace Corps, or VISTA. The program also provides for partial or total loan cancellation for students who enter certain fields of teaching.

COLLEGE WORK-STUDY PROGRAM (CWSP)

May assist you by providing a job opportunity at the college itself or with a public or private nonprofit agency—such as a school, a social agency, or a hospital—working in cooperation with your school. In general, the salary paid is at least equal to the current minimum wage, although it is frequently higher. *The financial aid officer is responsible for determining the students to be employed, selecting suitable jobs for them, handling the payroll, and the general administration of the program.*

To keep abreast of developments, and for more specific information and applications for BEOG, SEOG, NDSLP, and CWSP, see your financial aid officer.

FACT SHEET—GUARANTEED STUDENT LOAN PROGRAM

The Guaranteed Student Loan Program is designed to make it possible for students to borrow from private lenders to help pay for the cost of education and training at universities, colleges, and vocational schools with the Federal Government paying part of the interest for qualified students. Loans are either guaranteed by State or private nonprofit agencies or insured by the Federal Government.

TERMS AND CONDITIONS OF GUARANTEED LOANS

A maximum of $2,500 per academic year may be applied for in most States if the educational costs require borrowing to this extent. Total loans outstanding may not exceed $7,500 for undergraduate or vocational students. This maximum may be extended to $10,000 for students who borrow for graduate study.

The repayment period will usually begin from nine to twelve months after the student graduates or withdraws from school. Repayment will normally be made in equal installments over a period of from five to ten years. The student will be required to pay a minimum of $360 per year on all the guaranteed loans he has received during his school years. Loans may be prepaid at any time without penalty.

Students may apply for Federal interest benefits by submitting to the lender a recommendation by the educational institution as to the amount needed by the student to meet his educational costs. After considering the recommendation, the lender will determine the amount of the loan. For students found eligible for interest benefits, the Federal Government will pay to the lender the total interest due prior to the beginning of the repayment period. Students not eligible for Federal interest benefits may still apply for a loan but will have to pay their own interest. During the repayment period, all students will be responsible for paying total interest charges.

An insurance premium of up to one half of one percent each year of the total loan amount outstanding may be collected in advance under State or private guarantee agency programs. On Federally insured loans, by law the premium is limited to one quarter of one percent. The lender may collect the premium from the borrower or deduct it from the proceeds of the loan.

Repayment may be deferred for up to 3 years while the borrower is a member of the Armed Forces, a full-time volunteer in the

Peace Corps or VISTA, or for any period during which he returns to a full-time course of study at an eligible school. The borrower is encouraged to make at least partial payments during such periods of deferment in order to reduce the principal amount of the loan. Payment of Federal interest benefits will resume at this time.

ELIGIBLE STUDENT BORROWERS

Any student may apply who has been accepted for enrollment in an eligible school or who is already in attendance and in good standing, and who is a citizen or national of the United States or is in the United States for other than a temporary purpose. In many States, half-time students are eligible but some require full-time attendance. Residency requirements also vary in some States.

ELIGIBLE LENDERS

Banks, savings and loan associations, credit unions, pension funds, insurance companies and similar institutions subject to examination and supervision by the State or Federal Government are eligible to become lenders under this program. Eligible schools and State agencies may also qualify as lenders. Students desiring loan assistance should contact their own local lending institutions first. It is important to remember that loans are made or denied at the discretion of the lender.

ELIGIBLE SCHOOLS

Most colleges, universities and schools of nursing and many vocational and technical schools are eligible. Generally, any public or private educational institution located in the United States or elsewhere that offers at least a one-year program of study leading to a degree or employment in a recognized occupation is eligible. Further information regarding the eligibility status of a particular school may be obtained from the Office of Education or from the agency administering the program in a particular State.

IN OPERATION

Applications for guaranteed student loans may be obtained from lenders, schools, State or private nonprofit guarantee agencies or regional offices of the Office of Education. The school must complete a portion of this application recommending the amount of loan needed by the student and certifying the student's enrollment, his costs and academic standing. Additional financial information may be required by the school or lender. The student completes the application form and presents it to a participating eligible lender.

If the lender agrees to make the loan, he first secures the approval of the guarantee agency. A State or private nonprofit agency "guarantees" the loans to the lender in many States. In other States, the Federal Government insures the loans. If the student defaults in repaying to the lender, either the guarantee agency or the Federal Government will pursue the borrower for recovery of the loan. If the borrower dies or becomes permanently disabled, his obligation will be discharged by the Federal Government.

In all cases, the borrower will have to execute an affidavit that the proceeds of the loan will be used solely for payment of his educational expenses. This affidavit will also have to be signed by a notary public or other person legally authorized to administer an oath or affirmation (other than a person who recruits students).

SOURCES OF INFORMATION ON THE GUARANTEED STUDENT LOAN PROGRAMS

ALABAMA

Director of Higher Education, Office of Education, Region IV, 50 Seventh Street, NE., Atlanta, Georgia 30323.

ALASKA

United Student Aid Funds, Inc., 845 Third Avenue, New York, New York 10022.

ARIZONA

Director of Higher Education, Office of Education, Region IX, 50 Fulton Street, San Francisco, California 94102.

ARKANSAS

Student Loan Guarantee, Foundation of Arkansas, Suite 515, 1515 West 7th Street, Little Rock, Arkansas 72202.

California (See Arizona).

COLORADO

Director of Higher Education, Office of Education, Region VIII, 9017 Federal Office Building, 19th & Stout Streets, Denver, Colorado 80202.

CONNECTICUT

Connecticut Student Loan Foundation, 251 Asylum Street, Hartford, Connecticut 06103.

DELAWARE

Delaware Higher Education Loan Program, University of Delaware, 207 Hollihen Hall, Newark, Delaware 19711.

DISTRICT OF COLUMBIA

D.C. Student Loan Insurance Program, 1329 E Street, NW., Washington, D.C. 20004.

Florida (See Alabama).

GEORGIA

Georgia Higher Education Assistance Corporation, Post Office Box 38005, Capitol Hill Station, Atlanta, Georgia 30339.

Hawaii (See Arizona).

IDAHO

Director of Higher Education, Office of Education, Region X, 1321 Second Avenue, Seattle, Washington 98101.

ILLINOIS

Illinois Guaranteed Loan Program, 102 Wilmot Road, P.O. Box 33, Deerfield, Illinois 60015.

INDIANA

Director of Higher Education, Office of Education, Region V, 226 West Jackson Boulevard, Chicago, Illinois 60606.

IOWA

Director of Higher Education, Office of Education, Region VII, 601 East 12th Street, Kansas City, Missouri 64106.

Kansas (See Iowa).

Kentucky (See Alabama).

LOUISIANA

Louisiana Higher Education Assistance Commission, Post Office Box 44095, Capitol Station, Baton Rouge, Louisiana 70804.

MAINE

Maine State Department of Education, Augusta, Maine 04330.

MARYLAND

Maryland Higher Education Loan Corporation, 100 Guilford Avenue, Baltimore, Maryland 21218.

MASSACHUSETTS

Massachusetts Higher Education Assistance Corporation, 511 Statler Building, Boston, Massachusetts 02116.

MICHIGAN

Michigan Higher Education Assistance Authority, 309 North Washington Avenue, Lansing, Michigan 48902.

Minnesota (See Indiana).

Mississippi (See Alabama).

Missouri (See Iowa).

Montana (See Colorado).

Nebraska (See Iowa).

NEVADA

State Department of Education, Carson City, Nevada 89701.

NEW HAMPSHIRE

New Hampshire Higher Education Assistance Foundation, 3 Capitol Street, Concord, New Hampshire 03301.

NEW JERSEY

New Jersey Higher Education Assistance Authority, 65 Prospect Street, Post Office 1293, Trenton, New Jersey 08625.

NEW MEXICO

Director of Higher Education, Office of Education, Region VI, 1114 Commerce Street, Dallas, Texas 75202.

NEW YORK

New York Higher Education Assistance Corporation, 50 Wolf Road, Albany, New York 12205.

NORTH CAROLINA

State Education Assistance Authority, 1307 Glenwood Avenue, Post Office Box 10887, Raleigh, North Carolina 27605.

North Dakota (See Colorado).

OHIO

Ohio Student Loan Commission, Wyandotte Building, 21 West Broad Street, Columbus, Ohio 43215.

OKLAHOMA

Oklahoma State Regents for Higher Education, State Capitol Station, Post Office Box 53383, Oklahoma City, Oklahoma 73105.

OREGON

State or Oregon Scholarship Commission, 1445 Willamette Street, Eugene, Oregon 97401.

PENNSYLVANIA

Pennsylvania Higher Education Assistance Agency, Towne House, 660 Boas Street, Harrisburg, Pennsylvania 17102.

PUERTO RICO

Director of Higher Education, Office of Education, Region II, 26 Federal Plaza, New York, New York 10022.

RHODE ISLAND

Rhode Island Higher Education Assistance Corporation, Room 414, 187 Westminster Mall, P. O. Box 579, Providence, Rhode Island 02901.

South Carolina (See Alaska).

South Dakota (See Colorado).

TENNESSEE

Tennessee Education Loan Corporation, State Department of Education, 313 Capitol Towers, Nashville, Tennessee 37219.

Texas (See New Mexico).

Utah (See Colorado).

VERMONT

Vermont Student Assistance Corporation, 191 College Street, Burlington, Vermont 05401.

VIRGINIA

Virginia State Education Assistance Authority, 1116 United Virginia Bank Building, Richmond, Virginia 23219.

Washington (See Idaho).

WEST VIRGINIA

Director of Higher Education, Office of Education, Region III, Post Office Box 12900, Philadelphia, Pennsylvania 19108.

WISCONSIN

Wisconsin Higher Education Corporation, State Office Building, 115 West Wilson Street, Madison, Wisconsin 53702.

Wyoming (See Colorado).

American Samoa (See Arizona).

Guam (See Arizona).

Trust Territory (See Arizona).

Virgin Islands (See Alaska).

DRUG LAW ENFORCEMENT: UNCIVIL REGARD FOR CIVIL LIBERTIES

Mr. PERCY. Mr. President, I have commented on numerous occasions on my shock and indignation upon learning about the violent, mistaken drug raids on two Collinsville, Ill., families on the evening of April 23, 1973, which were accomplished without search or arrest

warrants and through a forcible and senseless entry on the private dwellings of those families. My own personal inquiry into events of that evening in and around the Collinsville area, and prior and subsequent to those raids, indicates that something was indeed amiss so far as Federal drug law enforcement in that area was concerned.

After public attention was given to a hearing which I conducted on this subject in Chicago on May 18, I received numerous letters from across the country indicating that the Collinsville horror was not unique. An account appearing on the front page of this morning's New York Times, entitled "Violent Drug Raids Against the Innocent Found Widespread," cites still other incidents which, taken together, confirm that the abuses attendant to drug law enforcement by some local, State, and Federal officials tend to be far more grievious than we ever expected.

In the days ahead, I will continue to pursue this matter, and attempt to ascertain just how widespread, how repugnant, and how disruptive of our fundamental liberties these occurrences are. If the price we must pay for a drug-free society is the loss of basic liberties which underlie a free society, that price is too high. As important as the problem of eradicating drug abuse is, we cannot afford to eradicate due process protections and the privacy and sanctity of our dwellings.

Mr. President, I ask unanimous consent to append to my remarks the excellent and well-documented New York Times article which I earlier referred to, written by Mr. Andrew H. Malcolm of the Chicago Bureau of that newspaper.

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

VIOLENT DRUG RAIDS AGAINST THE INNOCENT FOUND WIDESPREAD

(By Andrew H. Malcolm)

WASHINGTON, June 24.—Innocent Americans around the country have been subjected to dozens of mistaken, violent and often illegal police raids by local, state and Federal narcotics agents in search of illicit drugs and their dealers.

An eight-week investigation by The New York Times—consisting of interviews with victims of the raids, policemen and narcotics agents—has shown that, contrary to published reports and some Government assertions, the recent illegal drug raids on two Collinsville, Ill., families were not isolated incidents.

In fact, during the last three years, mistaken raids have been made by narcotics agents on all government levels, often acting on uncorroborated tips from informers.

Such incidents have resulted in at least four deaths, including one policeman slain when a terror-stricken innocent woman shot through her bedroom door as it burst open. In California one innocent father was shot through the head as he sat in a living room cradling his infant son.

Details of each raid, vary, but generally they involve heavily armed policemen, arriving at night, often unshaven and in slovenly "undercover" attire, bashing down the doors to a private home or apartment and holding the innocent residents at gunpoint while they ransack the house.

A raid victim in Long Island has settled a damage suit with the Federal Government for $160,000. Similar suits are pending.

Sometimes the agents have warrants and identify themselves. Sometimes they do not. Frequently, the raiding party is rude, abusive and, as in Collinsville, shouts obscenities at its terrified victims.

In Los Angeles a veteran police officer says mistaken raids occur once or twice a month. In Miami complaints of police harassment on drug searches are so frequent that the Legal Services of Greater Miami can no longer handle the caseload.

Taken individually, the raids have been little noticed nationally, apparently because they were believed to be isolated aberrations or unfortunate but understandable errors as hardpressed police forces sought to combat drug addiction, which President Nixon has called "Public Enemy No. 1."

In addition, the raids occurred in widely scattered areas. Often they involved lower-class families with little access to the media or to advice on possible legal recourse.

Some believe many families kept quiet for fear of reprisals by the agents or perhaps because in their hatred for drugs they condoned the tactics but not the locals.

"NO-KNOCK" LAWS

But taken together the mistaken raids paint a picture of strong-arm police tactics, shoddy or nonexistent pre-raid police investigation and the pressures and brutalizing impact on the police of constant contact with what they call "society's scum," the drug pusher.

The incidents also underline what some view as an inherent danger in "no-knock" narcotics raids, which were authorized for Federal agents by Congress in 1970. Some states have similar statutes.

Under these laws the police may obtain a special no-knock search warrant authorizing them to break into homes unannounced if there is probable cause to believe that the property sought can be quickly destroyed or disposed of or if giving notice of police presence could endanger an officer or other person.

To some observers such mistaken raids are just that—mistakes caused by an understandable mounting police frustration with the growing drug problem. They say that members of the more vocal middle class are now being subjected to rigorous police techniques that some allege some officers have long used in black communities.

To others, however, the mistaken raids signal the emergence of a dangerous climate of repression.

The drug raids on the homes of Herbert Giglotto and Donald Askew in Collinsville, Ill., occurred the night of April 23. Mr. Giglotto was asleep with his wife in their apartment when more than 15 poorly dressed men broke down two doors, handcuffed the Giglottos, held them at gunpoint, emptied drawers and closets, shattered pottery, threw a television set on the floor and shouted obscenities.

A half-hour later a similar event occurred across town at the Askews' modest home.

"CAVEAT VENDOR"

In both cases the men were agents of the Office for Drug Abuse Law Enforcement, an umbrella agency established in January, 1972, by President Nixon. Its motto is "Caveat Vendor."

In both cases the men were at the wrong address.

In both cases they had no search or arrest warrants.

In both cases they had no authority from their superiors for the raids. In both cases they did not identify themselves until well into the raid.

The agents, one of whom had been involved previously in incidents involving questionable force, have been suspended with pay but continue to perform limited duties while a grand jury investigates and the families sue.

Three days before the Collinsville raids, at 10:45 p.m. Mrs. Laura Smith heard a tapping on a window of her home on Chicago's tough South Side. Seconds later a sledgehammer came through the back door, she said. It was followed by four armed men in civilian clothes who ran through the house, she continued. They were Chicago policemen.

"They were looking for marijuana, and some man named Will," recalls Mrs. Smith, who noticed that the search warrant was originally issued for 9763 South Oglesby, one block away from the Smiths' home at 9763 South Crandon. The original address was scratched off and that of the Smiths written in.

Circuit Court Judge Irving Kipnis, who signed the warrant, said such changes must be made in a judge's presence, but he handles so many warrants these days that he could not recall if that procedure had been followed.

The Chicago police offered no explanation for the raid, nor did they pay for the broken door. "Every time I hear a noise at night now," says Mrs. Smith, "I live it all over again." Her husband, James, is a Cook County deputy sheriff.

On Jan. 26 this year Mrs. Anna Majette was asleep in her apartment at 1420 Barbour Drive in Portsmouth, Va. She heard a noise as her door crashed in.

She rose from bed and, she says, Frank Bonnewell, chief of Portsmouth detectives, stepped in front of her with a gun. "We've heard a lot about this house," he said.

The officer produced a search warrant. His men searched for heroin.

Then Mrs. Majette noticed that the warrant was issued for Apartment A and hers was Apartment J.

"Sorry," said the officer. And they left.

PHILADELPHIA INCIDENT

At a hearing later officers got to talking. "I was on a raid one time," one policeman recalled, "and we got the wrong house. We broke in, went upstairs to a bedroom and found a half-deaf and blind couple that didn't even know we entered the house."

On Jan. 24 in Philadephia three off-duty patrolmen—John Chopak, James Haney and Harry Herr—were drinking in a bar near 40th and Market Streets when, they say, a patron said they could find narcotics in a nearby house.

According to a police investigation, the three men went to the house on Wiota Street, ransacked the house and beat three occupants. Not finding any drugs, they forced a passerby into the house and beat him too.

Then the patron took the officers to another house on Baring Street where they beat there other occupants. They found no drugs there either.

The policemen were suspended and arrested.

On Jan. 9 at 10 A.M. in Winthrop, Mass., 15 burly men armed with shotguns broke down two doors and burst into the William Pine residence.

The men did not identify themselves and wore no uniforms. They pushed the family to a couch. "Please don't kill us, please don't kill us," screamed 13-year-old Melody Pine.

"Just don't move," came the reply.

Mr. Pine, a night worker, awakened upstairs to face several gun barrels. The men asked his name. "William Pine," he replied.

The men looked at each other and raced from the house. They were state and Federal narcotics agents, it was learned later. And they wanted the green house at 30 Underhill Avenue, not the Pines' green house at 32 Underhill.

"I didn't know police operated like that in America," said Mrs. Pine.

At 6 A.M. Sept. 20, 1972, the James R. Herman family of Rochester, N. Y., was awakening. Suddenly the door jamb splintered under the weight of four men.

They ordered Mrs. Herman from the bathtub, threatened the family's barking dogs and searched the house. "If I'd had a gun," said Mr. Herman, "I'd have fired. I thought they were burglars."

They were not. They were state troopers, part of a force executing 22 search warrants in a Monroe County drug round-up. But they were at the wrong house.

The police said they had overheard a telephone number during a wiretap and when they had called the Rochester Telephone Corporation to get an address for it, their service representative gave them 3 Audobon Street.

It was Herman's address but not their telephone. The police apparently never checked the address further.

Smashing into the wrong house, added Capt. Richard Bolan of the state police, was an "insignificant detail" in what was "one hell of a raid."

In Norfolk, Va., at 3 A.M. May 24, 1972, Mrs. Lillian Davidson, a previous burglary victim, heard someone breaking into her house at 812 Lancaster Street. Then someone began to batter down her locked bedroom door.

SHOT THROUGH DOOR

She grabbed a .32-caliber revolver and shot through the door.

The bullet pierced the chest of Patrolman Lewis W. Hurst Jr., the 22-year-old son of the head of the Norfolk Police Department's narcotics squad. He died minutes later.

The police arrested Mrs. Davidson. They were looking for 2,400 parcels of heroin that an informer, a former drug addict, had said were there. They were not.

The police said it had been an error by the young informer and released Mrs. Davidson. The agents acted on an "immediate entry" clause added to the search warrant. The clause, said Lawrance Wallace, assistant commonwealth attorney, is unwritten common law that dates back to Virginia's founding.

On April 24, 1972, local policemen and agents of the Bureau of Narcotics and Dangerous Drugs moved on the mountain retreat of 24-year-old Dirk Dickenson near Eureka, Calif., to seize a "giant lab" producing drugs.

Arriving on foot with dogs and in a borrowed helicopter, the agents, who were not in uniform and did not identify themselves, assaulted the cabin with rifles and hand guns. Apparently frightened and baffled, Mr. Dickenson ran toward the woods.

An agent, Lloyd Clifton, shot him in the back as he fled. Mr. Dickenson died. It is a violation of bureau rules to shoot at fleeing suspects. No "giant lab" was found.

The United States Attorney in San Francisco said there had been no civil rights violations and the killing had been justifiable homicide.

On Feb. 5, 1973, Mr. Clifton was indicted by a Humboldt County grand jury for second-degree murder and involuntary manslaughter. The Federal Government hired a special defense attorney for Mr. Clifton. The lawyer, James McKittrick, seeks to have the charges dismissed.

Mr. Clifton continues his duties.

SECOND CALIFORNIA DEATH

Mrs. Adelina Garcia has sued Los Angeles and Riverside County for $750,000 for the shooting death of her husband, Francisco, by the police on a drug raid at a ranch near Indio on May 12, 1971.

The police said Mr. Garcia had ignored commands to stop his truck. They shot him and wounded his wife. A substantial cache of marijuana was discovered on the ranch, but Mr. Garcia was never implicated in the narcotics operation.

Here in Washington on May 2, 1970, seven policemen, only one in uniform broke into Miss Lauretta Whitney's home on Newton Street, knocked her down and ransacked the apartment in search of illegal narcotics. They found none.

The address on the warrant came from a trusted informant, the city police said, but now that Miss Whitney is suing for $100,000 damages, officials say they have no idea where the informer is.

"We're also considering a class action suit," said Mrs. Florence Isbell of the local American Civil Liberties Union as she leafed through files with more than 20 similar cases.

On Oct. 3, 1969, a number of state and local narcotics agents in Whittier, Calif., drank beer and highballs for two hours in a local bar as they awaited completion of search warrants for a drug raid on Apartments B and D at 8033 South Comstock.

However, they initially entered the apartment of Mrs. Florence Mehan at 8031 South Comstock. Realizing their mistake, the agents went upstairs to the correct address.

Drawn by the commotion, Mrs. Mehan's son-in-law, Heyward Henry Dyer, 22, and his 22-month-old son, Francis, went to the Mehan apartment.

Suddenly, a bullet crashed through the ceiling. It pierced Mr. Dyer's skull, killing him instantly.

The shot came from an AR-15 military rifle, which one of the agents upstairs, Sgt. Frank Sweeney, was not authorized to carry. He said it had fired accidentally.

No one in that upstairs apartment was arrested. A coroner's jury decided that Mr. Dyer died by criminal means, but the district attorney's office declined to prosecute.

Sergeant Sweeney, among others, was later suspended from duty without pay for a time.

Three weeks ago a court awarded the family $900,000 damages.

COMPLEX REASONS

The reasons behind these mistaken raids are varied and complex. But they are tied intimately to the veritable explosion of Government drug enforcement activities in recent years.

At its formation in 1968 the Bureau of Narcotics and Dangerous Drugs, the main Federal arm against drugs, had 615 agents and a $14-million budget. Now it has 1,586 domestic agents and a $74-million budget. On July 1, a new Drug Enforcement Administration will absorb most of the Federal efforts, including the bureau. These efforts cost about $245-million a year.

With its sudden growth, the bureau has had to do some fast recruiting. "A majority of our people come to us right out of college," said Richard Ulrich, administrative officer for the National Training Institute, the bureau's training arm, "and some of them have law enforcement experience."

The institute runs a 10-week school for new agents and hundreds of local policeman, with 600 hours of instruction, including 26 hours on due process and the Constitution's Fourth Amendment, which prohibits "unreasonable searches and seizures." But apparently attendance is not required; some agents involved in mistaken raids had not taken the course.

The raids are frightening for both raided and raider. The tactics are based in part on the theory that a sudden, overwhelming display of police force will quash any thought of resistance and secure evidence before it can be disposed of.

"You have to go in with the idea that this guy is going to fight," said Clyde Charles, an agent who asked that his real name not be used. "He's always being shaken down by other pushers. So you figure you'll be staring down a gun barrel."

"I've been on 200 or so raids," he continued, "and the no-knock is the scariest. You ask yourself what would you do if your door came crashing down at 3 A.M. and you had a gun. You'd let go, right? Personally, I think the danger might outweigh the value."

Officials of the bureau, which works against big-time pushers, say they have executed "two or three" no-knock raids; officials for the Office of Drug Abuse Law Enforcement, which concentrates on smaller drug dealers, say they have done "above 100."

But the agents themselves admit to some "funny business" regarding the requirement to announce themselves on other than no-knock raids. "You might whisper, 'Open up! Police,'" one said, "or you could yell it the instant before you hit the door."

Another drug official added: "It's hard for outsiders to set a normal standard of behavior. You can't ask an agent to spend three months on a case and then expect him to announce himself politely and listen to every toilet on the floor flush away the evidence. You have to be a saint to do that."

Another agent said, "If you spend weeks undercover, living in a hole and dealing with drug people, your whole life-style changes and perhaps your morals too. Sometimes there's a thin line between the hunted and the hunter."

"This is dirty scummy work," said Myles J. Ambrose, head of the Office of Drug Abuse Law Enforcement. "You see these vermin selling drugs and what they do to people and our cities and you get sickened and angry and perhaps you take your hostilities and frustrations out on some guy's bookcase. It's not right. But how are you going to prevent it?"

TRIBUTE TO L. L. BAXTER, OF FAYETTEVILLE, ARK.

Mr. FULBRIGHT. Mr. President, the Northwest Arkansas Times recently paid editorial tribute to Mr. L. L. Baxter of Fayetteville, Ark., who is retiring from an active management role with the Arkansas Western Gas Co.

Mr. Baxter served as president of the company for 25 years and he and the company played a major role in the growth and development of Fayetteville and northwest Arkansas. In addition, Mr. Baxter has made a significant contribution to Fayetteville community affairs for the past 40 years.

As the Times editorial states:

He is a dynamic espouser of the idea that when you help your community grow, your community will help your business grow. Very few progressive projects have been undertaken in Fayetteville and Northwest Arkansas during the last quarter century without the Gas Company's and Mr. Baxter's personal involvement. He believes a strong community is the key to a sound economy, and has been willing to work full-time to prove it.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial from the Northwest Arkansas Times of June 9.

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

A MATTER OF INTEREST

No person is more centrally involved in the growth of this area than L. L. Baxter, whose retirement from an active management role with Arkansas Western Gas Co., was announced a few days ago. Mr. Baxter has been a resident of Fayetteville for more than 40 years, and was president of his company through 25 crucial early years of its existence.

Arkansas Western was only in its third year of operation when Mr. Baxter moved here from Texas to assume the position of district manager in 1932. He served as company president from 1943–1968. In that period Arkansas Western Gas jumped from 1,700 customers in Washington and Benton counties to 54,000 in an 11-county area.

The story of the firm's growth is intimately tied to growth throughout Northwest Arkansas, too, and none is better aware of this than Mr. Baxter. He is a dynamic espouser of the idea that when you help your community grow, your community will help your business grow. Very few progressive projects have been undertaken in Fayetteville and Northwest Arkansas during the last quarter century without the Gas Company's and Mr. Baxter's personal involvement. He believes a strong community is the key to a sound economy, and has been willing to work full-time to prove it.

These days it is fashionable to see a "conflict of interest" in every effort by the business community to take part in community affairs. Mr. Baxter would readily plead guilty we are sure, because he believes the best thing any businessman can possibly do for his business is to work hard on behalf of good schools, good government, good churches—in short, a good community. We believe Mr. Baxter is right in this. Furthermore, we have the conviction that the city must seek out those who can provide the sort of level-headed common sense and good business judgment that Mr. Baxter's contributions to this area symbolize, if it is to continue to prosper.

SENATOR BENNETT TO RETIRE

Mr. SCOTT of Pennsylvania. Mr. President, one of our most distinguished colleagues in the Senate, WALLACE BENNETT of Utah, announced last weekend that he will not seek reelection to a fifth term. I know that everyone is saddened by this news Senator BENNETT has been one of the Senate's most influential Members, and will be remembered for his integrity, courtesy, and ability to target in on the heart of complex issues with a keen intellect and depth of knowledge, especially in the area of fiscal and monetary policy.

Senator BENNETT has not only been a contributor to the work of the Senate, he has been a highly respected leader. We look forward to the benefit of his continued wisdom in this Congress, and wish him a full and happy retirement.

Mr. President, I ask unanimous consent that an editorial from the Salt Lake Tribune be printed in the RECORD.

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

DEDICATED SERVICE, "STRAIGHT TALK" HALLMARKS OF BENNETT CAREER

One thing above all others distinguishes the career of Utah's four-term Republican senator, Wallace F. Bennett: hard, conscientious work; service often performed outside the limelight's glare.

Senators fall roughly into several types. There are some who use the office to advance their political ambitions and give only minimal attention to home state interests, to the often dreary day-to-day work of the Senate. There are some who make the Senate itself their end goal and gain national recognition through identification with popular or controversial causes.

Sen. Bennett, who Saturday officially announced his retirement at the end of his present term, is a different kind. He is the all-around senator. He attends to constituent needs and interests on a high priority basis. His clippings file in The Tribune library bulges with news items about Sen. Bennett seeking legislation and projects beneficial to Utah. But his almost 24 years as a senator are marked also by dedicated attention to national and international matters.

Fellow senators learned soon after Wallace Bennett arrived in Washington in 1951 that here was a man who would help mind the store, who would pitch in with the chores; a man who could be counted upon to do a job.

As the years passed, Sen. Bennett's ability, his forthrightness and devotion to duty brought him immense respect from colleagues in both parties. His influences was far greater than generally recognized by outsiders.

It was not hollow flattery when Sen. Robert P. Griffin, R-Mich., called the Utahn "truly a senator's senator. He is beloved, respected and admired by everyone in this body, on both sides of the aisle."

And Majority Leader Mike Mansfield, D-Mont., recalling that "I have watched Wallace Bennett day in and day out in the performance of his tasks," observed that here was "one senator who has never made a request which was in the least out of line."

First elected in 1950 immediately after serving as president of the National Association of Manufacturers, Sen. Bennett found his niche on the Finance Committee where his business background established him as an authority on fiscal matters. As ranking Republican on both the Finance and Banking, Housing and Urban Affairs committees, Sen. Bennett "carried the ball" for numerous Nixon administration measures as he had done earlier for President Eisenhower.

In addition, he was a prime mover in passage of the Upper Colorado River Storage Project. His most recent achievement of national significance, a system for peer review of the quality and cost of health care, is expected to save millions of dollars while improving health services offered through such programs as Medicare and Medicaid.

In 1972 a statement prepared by the Republican Policy Committee noted that a "highly placed government leader" remarked that "where some public officials rely on rhetoric to finesse the issues, Wallace Bennett cuts to the heart of complex problems with incisive language and keen intellect. He's one of the 'straight talkers' of the Senate."

For Sen. Bennett hard work and straight talk brought abiding appreciation an admiration from both colleagues and ordinary citizens. But more than that, these qualities, and the man in whom they thrived, served America and Utah to the fullest.

TRIBUTE TO JACK DEACON, OF JONESBORO, ARK.

Mr. FULBRIGHT. Mr. President, Mr. Jack Deacon of Jonesboro, Ark., was recently presented the Outstanding Lawyer-Citizen Award of the Arkansas Bar Association during the association's meeting in Hot Springs.

This is certainly a well-deserved honor, for Mr. Deacon has made a notable contribution to his community and State as well as the legal profession.

I ask unanimous consent that an article about Mr. Deacon which appeared in the Jonesboro Sun and which outlines some of his many honors and activities be printed in the RECORD.

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

DEACON GIVEN TOP AWARD OF ARKANSAS BAR

Jack C. Deacon, a Jonesboro attorney and member of the Barrett, Wheatley, Smith, and Deacon law firm, was presented the Outstanding Lawyer-Citizen Award of the Arkansas Bar Association at the association's meeting in Hot Springs this past weekend.

The award is presented annually to an Arkansas attorney who has shown outstanding participation and performance of civic responsibility while at the same time showing a high standard of professional competence and conduct.

Deacon is past president of the Jonesboro Chamber of Commerce, United Fund, a Country Club and Rotary Club. He is District 615 Governor-elect for Rotary International.

He is also president of the St. Bernard's Hospital Advisory Board. He has been a trustee of the public library until this year, and is a trustee of the United Fund of Jonesboro, and on the Board of Directors of the Craighead County Red Cross.

Deacon is also past president of the Craigshead County, Northeast Arkansas, and Arkansas Bar Association, besides numerous other presidencies, chairmanships and memberships in civic and legal organizations.

Deacon has been appointed a member of the Workmen's Compensation Committee of the Defense Research Institute (DRI) of Milwuakee, Wis., it was announced today.

The Defense Research Institute is a nonprofit, legal research organization, serving the interests of defense lawyers, "target" corporate defendants and the public. Comprised of over 6,000 individual and corporate members from across the country, DRI provides a continuous flow of information on current legal developments through publications, seminars and special services. At the same time, it seeks retention and improvement of the existing legal system—particularly in the area of civil litigation—and promotes a higher level of decorum in the courtroom, elimination of fraudulent and exaggerated claims, and improved standards of public safety.

PROPOSAL TO REFORM WELFARE

Mr. BROCK. Mr. President, recently, the ninth grade civics students of Center High School, Monaca, Pa., took a look at our current welfare system in this country.

Not surprisingly to me, they found it wanting. They went a step further, though, and drafted a new proposal. Because their effort shows the creativity and concerns of America's young people, I feel that their ideas deserve wide currency, and the attention of this body.

Accordingly, I ask unanimous consent that their proposal be printed in the RECORD.

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

WELFARE PROPOSAL

Our nation's people should be the government's top priority, and since welfare concerns our nation's people, welfare reform should be a top priority. Congress is the only one that has the power to reform welfare. Welfare should be reformed!

Although there are many problems with the present welfare system, there are a few that should be emphasized. For one, there is no way for a person to get off the poverty cycle. The reason being that there is not enough incentive to get off welfare, nor is there enough job training in fields that will gain them enough income to raise them above the poverty level. Also, there is no unity in welfare programs among states. Furthermore, the welfare burden on taxpayers will continue to increase as more people are born into welfare families; causing the already exorbitant costs even higher.

Your generation is now laying the groundwork for ours and all future generations. If you don't solve the problem now, it will multiply and bury us in the future. The time is now to solve this problem. Don't turn away from the problem because we had a

bad experience with the Great Society Program.

You are our avenues into government, for you represent the people. It is your duty to make the laws and we expect you to fulfill your obligations to yourself, to us, and to your country.

The following is a proposal to revise the welfare system of the United States. The present welfare system is undesirable, and it should be replaced with a national welfare program that is uniform in every city and state. We, the taxpayers of the future, have researched and developed an idea to help solve the dilemma of the present welfare system.

In the present welfare system, adults are not required to look for a job to remove themselves from the welfare lists. There are sixteen million people on welfare; eleven million of the given amount are children—according to the recent poll released by the American government. It states the myths and facts of welfare, in which it actually contradicts itself. One "myth" states that, "Most welfare children are illegitimate." The supposed "fact" is, "A sizable majority of the more than seven million children in welfare families were born in wedlock." The second "myth" states that, "The welfare roles are full of able-bodied loafers." The supposed "fact" is, "Less than 1% of welfare recipients are able-bodied unemployed males." If most of the children were born in wedlock then more than 1% of the welfare recipients should be "able-bodied unemployed males". One of these statements must be false.

If during the depression in 1934, the government could hire 4,230,000 workers and place them on the payroll, why can't they do it now? The W.P.A. constructed 500,000 miles of roads, 40,000 schools, 35,000 playgrounds, 1,000 airports, built Pittsburgh Cathedral of Learning, and renovated Montana State Capitol. A welfare work program could be initiated by the Federal government to remove recipients from the roles. Our program could be arranged to find jobs now and to rehabilitate the welfare recipients. This program cannot replace public or private jobs because the unemployment problem would become worse. The jobs should guarantee a minimum wage of at least $2.25 for eight hours of satisfactory work. Work offered to these able-bodied recipients could be highway maintenance, cleaning up beaches, forest, playgrounds, and public buildings. They could also clean up their own slum areas. Becoming involved with fire auxiliaries is also possible, along with helping the environmental control program. To determine if the work done is satisfactory, there should be supervisors. These supervisors could be some of the welfare recipients after they have been trained. If adequate work is not performed, the person will be fired and therefore become ineligible to receive welfare. This program would be set up for women and men. To help the women, there would be another program. This would be a child care center. This center will be open all hours of the day and would care for children only if the mother was working or attending the night school which will be mentioned later. The center will be run by welfare women and volunteer workers who would feed, care, and nurse the children. The work that needs to be done for this program will provide jobs for some of the recipients.

This work program might help to solve the overpopulation of the lower-class Americans. It would discourage the adults on welfare from having children because they would be receiving a set wage for working; the more children they would have, the more it would cost them.

The work program is not enough to reform the welfare state completely. Slowly these people should be absorbed into the economy. A rehabilitation plan would enable the welfare recipients to progress forward into a normal life as a middle-class family. Besides the work they would be doing, they will be required to attend an educational center to broaden their knowledge. They will be taught basic skills needed for their everyday life. The women will learn good housekeeping, proper child care, basic first aid, and to cook food they can afford with necessary nutritional value. If a mother presently has a new born child, she is not required to work or attend school for the first three years of the child's life. To stop the possibility of a legal loophole in this situation, if a mother's child is born directly after the third year of her first child, she must work and attend school anyway.

The men and women will attend a trade school to learn a skill. Some skills that could be offered are bricklaying, carpentry, and handling machine. These skills will give them the means needed to raise themselves from the present state of low income.

The teachers employed to run the school must have some past record of the skill they will teach. Later the recipients who have been taught the trade can earn money by being a teacher themselves.

This program of welfare reform might cost more now, but when the poverty problem is reversed it will be well worth it. This program will not solve all of our welfare problems over night. It will take a long period of time and effort but the result is both desirable and definitely necessary.

IMPLEMENTATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one misconception concerning the Genocide Convention centers around its implementation. This treaty is not a self-executing document. As article V explains:

The contracting parties undertake to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the provisions of the present Convention and, in particular, to provide effective penalties for persons guilty of genocide or of any of the other acts enumerated in article III.

In other words, additional legislation is required in order to execute the terms of the agreement.

Earlier this year the Senate Foreign Relations Committee expressed its belief that it regards Senate approval of the convention as the first in a two-step procedure. The Department of State concurred and added that it proposes to recommend to the President that the instrument of ratification of the convention not be deposited until the implementing legislation has been enacted.

So strong is the consensus on this point that the following declaration has been included in the ratification resolution:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in Article V has been enacted.

LACK OF CONGRESSIONAL POWER?

There are those who argue that Congress is powerless to pass the appropriate legislation until the United States ratifies the Convention. This view, however, is fallacious. Congress already has made certain acts to be Federal crimes—for example, the killing of various foreign officials, including heads of state—and there is no reason why genocide may not be treated accordingly. But more important, there is no reason why genocide should not be treated accordingly. The act of genocide is both inhumane and disgraceful, and the United States must do everything within its power to prevent such acts from ever reoccurring.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENSON. Mr. President, I was necessarily absent on June 22, 1973. If I had been present and voting, I would have cast my votes as follows:

No. 214—Final passage of the AEC authorization bill—"yea";

No. 215—McGovern amendment to S. 1636—"nay";

No. 216—Humphrey-Proxmire amendment to S. 925—"nay".

I ask unanimous consent that the RECORD state my positions on those votes.

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

MINNESOTA POLITICS PRAISED

Mr. MONDALE. Mr. President, last week I called the Senate's attention to an article which appeared in the St. Paul Pioneer Press based upon Neal Pierce's book, entitled "The Great Plains States of America," which describes Minnesota as "as good a model as one can find in these United States of the successful society."

Since then, two other excellent articles have come to my attention, one entitled "States Politics a Good Model" by Chuck Bailey of the Minneapolis Tribune and the other "Good Marks for Minnesota" by Steve Alnes of the Minneapolis Star.

Mr. President, I believe these articles would be of great interest to the Senate, and I ask unanimous consent that they be printed in full in the RECORD.

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

[From the Minneapolis Tribune, June 10, 1973]

STATE POLITICS A GOOD MODEL

(By Charles W. Bailey)

Somewhere down the road, after the last witness has told his story to the Senate committee and the last case has been processed through the federal courts, the most important question about Watergate will finally stand alone: What can be done to cleanse and restore the American political process?

So far the focus has been on misdeeds and manipulation, on "dirty tricks" and crime, on cover-ups and complicity. That's as it must be, and should be—because beyond all else at this point we need to know everything that went on and everybody who was involved. Not for sensation, or vindictiveness, or revenge, or titillation, but for enlightenment: It may be distasteful and disruptive, but we cannot know how to keep future elections clean unless we find out exactly how the last one was befouled.

Some of the needed remedies can be found in legislation. It should not be difficult, for example, to draft laws that will deal with the multiple abuses of political campaign financing; it will take determination and hard, expert legislative work, plus sustained public pressure, but it can be done.

Some of the most important "reforms," however, will not be effected by the passage of laws. They must come, if they are to come

at all, from within the political parties—and from the collective force of a multitude of individual decisions and actions. If, as was suggested here a couple of weeks ago, people generally get the kind of government they deserve, then it is equally true that people can get the kind of government they insist on having.

Watergate has spawned a good deal of disillusion and even despair about American politics. But before people let themselves be overwhelmed by the gloom of the forest, they might take a closer look at some of the trees.

One who has made a career out of examining the trees is Neal R. Peirce, a Washington political writer of long experience who is midway through a monumental state-by-state study of the people, politics and power patterns of this country. His latest volume is on the Great Plains states—and his perceptive chapter on Minnesota ought to be read by those who are currently bemoaning the low estate of American politics. That is not to say that Pierce sees Minnesota as a perfect model for the rest of the country; but reading his comments in the context of Watergate suggests that at least some of the state's institutions and habits could be usefully considered by those here and elsewhere who are now so desperately seeking remedies.

He calls Minnesota "as good a model as one can find in these United States of the successful society." But why?

"The visitor to Minnesota hears many reasons, but none is so convincing as perhaps the simplest: These people appear to have control of their own destiny. No single industrial cabal, no bank group, no patronage-hungry courthouse crowd controls Minnesota. Ask Minnesotans who 'runs' their state, and you get a blank stare in response."

The reason, Peirce adds, is that there are "few invisible powers lurking behind the throne. The political parties, constituted by an especially democratic process from local precinct caucuses on up, wield the significant power—and through them, the people."

Despite the occasional excesses of such "people's politics," Peirce finds that by and large the system works—"and as a general rule one cannot find another state in which party platforms and campaign promises are taken more seriously."

He suggests that "the openness of Minnesota's public life, the willingness of leaders to try new ideas and the state's demonstrated capacity to handle money and programs well and honestly" have helped make the state "a deceptively simple example of how a democratic society should be run."

Such praise from afar should not blind Minnesotans (and does not blind Peirce) to the defects that do exist in the state's political process—such as the continuing failure to enact laws that would make state political financing truly open. But even in that case, Minnesota suggests some models that might be helpful now on a national scale; Peirce calls the state Republican party's annual "Neighbor-to-Neighbor" drive for small contributions "the nation's most outstanding effort to broaden the base of political financing."

Surely if the national political parties really committed themselves to such an effort it would help reduce—and perhaps in time eliminate—the dependence on big under-the-table donations whose poisonous effect has been so painfully demonstrated in the Watergate affair.

Certainly Watergate demands new legislation—on campaign financing, among other things—but more than that it demands new political commitment by individual citizens. Those who are disgusted and disheartened by the still-unfolding revelations of Watergate will help neither themselves nor the nation if they now turn away out of despair or cynicism. Minnesota has over the years provided a disproportionate share of political leaders for the nation; perhaps now this state could make an even greater contribution by exporting its best political practices as well.

[From the Minneapolis Star, May 28, 1973]

GOOD MARKS FOR MINNESOTA

(By Stephen Alnes)

Minnesotans, when they aren't complaining about the weather, usually have nice things to say about their state. They'd have to go some, though, to outdo the kind words laid on us by a new book, "The Great Plains States of America" (W. W. Norton & Co.).

Minnesota, says author Neal R. Peirce, is "as good a model as one can find in these United States of the successful society."

The state's leaders "have played an increasingly prominent role in national life, far out of proportion to the state's modest 2 percent of the national population. Its political structure remains open, issue-oriented, responsible. Its state government has been a leader in services for people, even though citizens and corporations have had to pay a high tax bill for those services.

"Few states exceed Minnesota in the quality and extent of the education offered its citizens; none appears to provide health care of comparable quality. Economic growth has been strong and steady, encompassing the brainpower industries of the electronic era along with traditional farming, milling and mining.

"And Minnesota maintains a clear focus of economic and cultural leadership in her Twin Cities, towns whose great industries have resisted the siren call of the national conglomerates."

Peirce, a Washington-based political writer since 1959, is a contributing editor to the National Journal, which he helped found in 1969. Previous books are "The People's President," a study of the electoral college system, "The Megastates of America," "The Mountain States of America" and "The Pacific States of America." The new book, in addition to Minnesota, covers Texas, Oklahoma, Iowa, Missouri, Kansas, Nebraska and the Dakotas. Later books will deal with the Deep South, Border South, Mid-Atlantic, New England and Great Lakes states.

Peirce notes in the foreword that only one project of the kind he has undertaken had ever been attempted before, John Gunther's "Inside U.S.A.," published in 1947.

He put in 18 months of travel and three years of writing, complicated, he says, by thousands of articles and newspaper clippings. Then the manuscripts were read by experts in the individual states and updated.

The author said he tried to keep his eye on "the enduring, vital questions about each state and its great cities," including what sets it apart from the rest of America, its essential character, what it's like as a place to live, who holds the power, what are the major ethnic groups, how creatively the governments and power structures have served.

Obviously, that's one massive undertaking, so great as to raise questions about whether anyone is justified in making the conclusions Peirce does. The other side of that, however, is that, if anyone is so justified, it's Peirce.

The Minnesota chapter is marred by a few factual errors which do not affect the central thesis—that Minnesota is a "successful society." Why successful? Peirce asks. "The visitor to Minnesota hears many reasons, but none is so convincing as perhaps the simplest: These people appear to have control of their own destiny.

"No single industrial cabal, no bank group, no patronage-hungry courthouse crowd controls Minnesota. Ask Minnesotans who 'runs' their state, and you get a blank stare in response.

"The special interest groups are there lobbying in the Legislature: railroads, private power companies, labor and business groups, for instance. But none is consistently successful, and the crucial decisions of a public nature are made through the political process with few invisible powers lurking behind the throne."

Peirce contends "a responsible political system lies at the root of this success story . . ." Hubert H. Humphrey and Harold E. Stassen are the "fathers of modern Minnesota politics," Peirce points out.

"Man for man," he argues, "it would be hard to name a state which has contributed as many men of stature and depth to national political life in the postwar era as Minnesota." The feeling of Minnesota legislators that they have one of the cleanest systems in the nation is probably well-founded, he says.

Peirce has other praise for Minnesota—for its school finance reform, high voter turnouts, low draft rejection rates, Minnesota Press Council, Minneapolis and St. Paul newspapers, the Metropolitan Council, a strong and diversified economy and the fact it's the home of a "phenomenal number of major industries," urban renewal in St. Paul and Minneapolis, the "fountainhead of culture" in the Twin Cities, property tax relief, the fiscal disparities act, the commitment to education, the state college system, the University of Minnesota, and more.

Those are real, and Peirce has a handle on most of it. He has, however, largely concentrated on the political and institutional structure of the state, and you get the feeling that there's some more there, somehow, that such a research effort never quite gets to. And when you're done reading, you're still left with the big question: How did we get so lucky?

TRIBUTE TO DR. HOWARD F. FLIPPIN, OF SEARCY, ARK.

Mr. FULBRIGHT. Mr. President, Dr. Howard F. Flippin of Searcy, Ark., was recently elected president of the Arkansas Optometric Association. This is a fitting honor for Dr. Flippin, who has a long record of service in his profession and in civic affairs as well.

Dr. Flippin has chaired a number of committees of the Arkansas Optometric Association and is a trustee of the Southern Council of Optometrists. In addition to these professional responsibilities, he is a deacon of the Westside Church of Christ, a director and secretary of Camp Wyldewood, a member of the Searcy Airport Commission, a member of the Searcy Chamber of Commerce and of the County Comprehensive Health Planning Council. He has served as president of the Searcy Lions Club and on the board of Arkansas Enterprises for the Blind.

With this record of leadership and service, I am sure that Dr. Flippin will continue the outstanding work of the Arkansas Optometric Association in the field of vision care, and I extend my congratulations to Dr. Flippin and the association.

A PLAN FOR ENERGY INDEPENDENCE

Mr. STEVENSON. Mr. President, I ask unanimous consent that an article in the latest issue of Foreign Affairs, entitled "A Plan for Energy Independence," be printed in the RECORD. This article, written by Carroll L. Wilson, sets out thoughtfully and forcefully a plan whereby the United States can by 1985 once again become self-reliant for its energy. In addition to reaching and maintaining

a reasonable level of energy conservation, a key element in Mr. Wilson's program is the urgent development of technologies to utilize our Nation's coal reserves. I believe all of us can benefit from reading Mr. Wilson's thoughtful analysis.

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

A PLAN FOR ENERGY INDEPENDENCE

(By Carroll L. Wilson)

I believe the United States is facing a national energy emergency. It arises from our extravagant and wasteful use of energy and from a shift in the sources of fuels. Per capita consumption is three times that of Western Europe, and we may ask ourselves whether our greater use enriches the quality of life by any such margin. Our cars are twice as heavy and use twice as much fuel as European cars which run about the same mileage each year, and the ratio is getting worse because of the sharp drop in fuel economy on recent models of American cars, owing to emission controls and air conditioners. We keep our houses and buildings too hot and use large amounts of fuel in air-conditioning everything. We have not given a thought to fuel conservation and efficiency since the days of rationing in World War II—an era which only 30 percent (those over 45) of the population can remember. These are some of the reasons why with six percent of the world's population the United States uses 33 percent of the world's energy—and why Europe and Japan are unlikely to be sympathetic to our plight as we ask them to share with us their traditional supply sources in the Middle East.

The costs and perils of dependence upon Middle East nations around the Persian Gulf were eloquently stated by James Akins of the State Department in the last issue of this journal.[1] His analysis of the expected scale of payments to Middle East countries and the inability of the largest producer, Saudi Arabia, to absorb or use a significant fraction of those payments for internal purposes underscores the perils of open-ended dependence upon these nations for our oil. The most critical aspects of the national energy emergency are the shift to such dependence and the enormous foreign-exchange drain it must progressively entail by the late 1970s alone. Recent "symbolic" interruptions by some Middle East countries, in protest against U.S. policy toward Israel, may be one hint of what the future holds; the continued hard bargaining on price is another. Although we will have to live through a period of substantial reliance on Middle East oil, it is hardly an acceptable national policy to leave the emerging situation in its present highly unsatisfactory state. There are simply too many cumulative problems and dangers involved.

The question, of course, is what *could* we do about it. The time has come to propose solutions. I propose a strategy to overcome this emergency, a program of action to implement such a strategy, the machinery needed for implementation, and an assessment of the global and environmental consequences of the adoption and execution of such a program by the United States. Obviously, the number of variables is immense and only by gross simplification can one define a strategy and program; there should be alternative strategies and plans. But this may be a place to begin.

II

The objectives of my proposal are to achieve, by 1985: first, the independence of the United States from critical reliance on imports of energy in any form—defining critical reliance as anything more than ten percent of our needs; second, energy costs below some target level, in dollars per million British Thermal Units (BTU), which is a common energy pricing unit for all fuels. I suggest as a goal keeping energy costs for premium fuels such as gas or oil below $1.00 per million BTU. This is equivalent to oil at $6.00 per barrel, roughly twice present prices, or to gas at $1.00 per thousand cubic feet, twice present wellhead prices on new contracts. The current cost of coal is very low in relation to its heat content, and the proposed ceiling gives great latitude for its use.

To see how we might get there, let us start by examining the components of energy supply in the United States—past, present and future. Current projections for the future make three key assumptions—that total energy consumption will continue to grow at the rate of 4.5 percent a year that has prevailed in the past decade, that the present pattern of use of particular energy sources will continue, and that nuclear power will be rapidly developed. As we shall see, all three of these assumptions can be challenged. If they were the case, however, the picture would look roughly as follows:

TABLE I.—ENERGY SOURCES AT STATED PERIODS

[In percent]

	Actual, 1960–63	Actual, 1970–73	Projected, 1980–83	Projected, 1985
Oil	44.0	44	44	47
Natural gas	29.0	33	28	20
Coal	23.0	18	17	17
Hydro/geothermal	4.0	4	5	6
Nuclear	.5	1	6	10

As the table shows, the crux of the problem is that oil has had to assume a large and slowly increasing share of the total. Natural gas appears to have reached its peak and will decline as a proportion of total supply even if higher prices produce increased exploration and discovery. Hydro sources can at most hold their place.

There remains, of course, the question whether present geothermal sources can be expanded to a greater degree and whether new "miracle" sources of energy can be found from solar energy, nuclear fusion, hydrogen broken down by nuclear methods, or any other. In all of these there is hope if we look ahead on a 30-year projection—and in the most promising areas there is justification for much greater research and development effort. But if one puts together the theoretical possibilities and the best available sense of what it would take to develop any of these "miracle" sources to major production levels, the honest judgment at this stage must be that they will contribute nothing by 1985 nor be substantially operative before roughly the year 2000, if then. And we simply cannot wait that long.

Rather, then, we have to look to our present sources of energy within the 1985 time frame. Obviously, we must have the maximum possible expansion of domestic oil and natural gas production, but the increases cannot be large in relation to total need. In addition, we should establish synthetic oil industries based on shale and on coal, building some large-scale plants to demonstrate feasibility and costs and to test features that minimize environmental impact. Such developments might yield a few million barrels per day, and we might require refineries to use such oil for a small fraction of their feedstocks—even if initial prices of synthetic crude oil exceeded the $6.00 per barrel ceiling target for 1985 energy costs.

Looking at all the technological possibilities, however, it 's my conclusion that the best sources of energy that can be greatly expanded in this time frame, at reasonable cost and with an impact on resources and on the environment that we can bear, are nuclear fission and the production of gas from coal through gasification—a process which produces from coal a clean, all-purpose and readily transportable gaseous fuel. For this purpose, some of the necessary technology now exists, but some still requires additional development. Gasification itself has been demonstrated, and technologies are already in use that produce low-BTU gas. However, the technological obstacles to producing gas of pipeline quality from coal are still formidable; a massive crash program of parallel pilot and demonstration plants for the four or five processes that now appear possible should permit construction to start in two to three years on production plants that make use of whichever process or processes then look best.

This selection of technological possibilities is the first element in the proposed strategy. The second—at least equally important and urgent—is a program effectively to reduce the rate of growth in our energy consumption. Actually to lower our consumption substantially is not, I believe, acceptable without far too drastic changes in our whole society. But I believe it is feasible, and should be our target, to achieve and maintain a rate of growth in our energy consumption of three percent per year, rather than the present 4.5 percent. In arithmetic terms, instead of our energy consumption in 1985 being 70 percent greater than it is now, it would be "only" 43 percent greater—a large and critical difference without which no action program can, I believe, do the job.

This is still a drastic target. To achieve it requires a recognition and acceptance that we are in a national emergency. Since shortages are upon us, we will have to begin to practice conservation not because of price but because of shortages. Although the first guidelines for voluntary "sharing of shortages equitably" have been issued by the government, we have no rationing machinery except to give priority to domestic heating and drop other loads if not enough energy is available. There are not even the rudiments of machinery for rationing fuel. The only serious study of an emergency program has been made by the Office of Emergency Preparedness, which has produced two very useful studies indicating measures that could be taken if the will existed to diminish significantly our energy demands, thereby reducing our dependence upon imported oil. (Yet, before the year is out, shortages of gasoline and heating oil in many parts of the country will make it clear that a national emergency exists and that appropriate steps must be taken.)

Some of the necessary measures will involve presently extravagant uses and waste, and some the question of efficiency. Here it is striking to note how little scientific and technical effort now goes into this latter question; a very modest improvement in our present low fuel efficiency may turn out, over time, to be in itself sufficient to bring us close to the 3 percent growth rate. But in the meantime we must surely cut back painfully.

III

On the whole we do very well in dealing with national emergencies. Many examples come to mind from World War II when we created the machinery; gave it the necessary authority; provided the money; mobilized the parts of the society, public and private, which were needed to overcome the emergency or meet it; energized the program by a system of contracts; and achieved the target results.

A notable example was our action in dealing with the abrupt cessation of the natural rubber supply. We carried out a crash program to set up a synthetic rubber industry, quickly creating the necessary machinery, authority and money. The results were

[1] "The Oil Crisis: This Time the Wolf Is Here," Foreign Affairs, April 1973.

dramatically successful. Another example was the decision to produce an atomic bomb in time to be useful in World War II. The decision was taken at a time when there were four or five possible routes to securing fissionable material from uranium and only some clues as to how to make a weapon from fissionable material. Special machinery was set up with the needed authority, with superb leadership and organizing capability, and within a tradition of mobilizing the private sector by contract. The Manhattan District then conducted that remarkable program of carrying forward simultaneously four different approaches to producing fissionable material and two simultaneous approaches to making a weapon, while building everything from cities to railroads to huge and completely novel factories, all in the space of less than three years. It worked.

Another example of how we can mobilize resources against an explicit target was the space program. In 1960, for reasons then considered sufficient, we decided that we should put a man on the moon before the end of the decade. To accomplish this, we created a special agency with great authority and lots of money and manned it with extraordinarily capable leadership. The fantastically complex and difficult scientific, technical and logistical problems were overcome, and, indeed, we put the first man on the moon in July 1969.

These are a few examples of how we have acted successfully when we have accepted the existence of a national emergency and taken the necessary actions (through Congress and the President) to provide the authority, the money, the machinery and the leadership to meet and overcome it. It is our national style to be most effective in tackling concrete programs, or working toward specified goals. Sometimes that approach is not appropriate as, for example, in solving the problem of cancer; in this case, however, it is appropriate.

What might be the action program aimed at 1985—the Decade Program if you will—if we accepted the existence of a national energy emergency and then took the necessary steps to cope with it through meeting the specific targets suggested?

The first element in any such program must concern the use of oil. To limit our oil imports to ten percent of energy requirements by 1985—using now the target three percent annual growth rate to estimate total 1985 energy consumption—would mean that we would be importing no more than five million barrels of oil per day at that time (compared to the roughly 15 million barrels now projected).[2] In the total energy picture shown in Table I, oil (domestic and imported) would have to drop markedly from its projected 47 percent to a proportion of roughly 30 percent in 1985.

This at once suggests the first component of the action program. Thirty percent is roughly the proportion of our energy that now goes to transportation, especially automotive uses—for which, of course, oil is uniquely suited. It will take work to keep our transportation uses down to this proportion, for they are now expanding faster than total energy consumption and this tendency will be accentuated by lowered efficiency due to tighter emission controls—not to mention the current sales rate of a million passenger cars a month! But if the proportion can be kept down—actually slightly reduced—then it can and should be met from oil, and oil should be withdrawn from other energy uses such as heating. This is a harsh measure but an indispensable one—the keystone of the whole program in fact.

The next component of the action program concerns nuclear power—currently providing one percent of our total energy, and projected in Table I to provide ten percent by 1985. In this respect, Table I reflects technological possibilities with proven techniques, but it does *not* reflect current political realities, nor, in my judgment, the true difficulty of meeting valid safety and environmental objections to the kind of major expansion it would take to achfeve the projected figure.

Like others who have followed closely the development of nuclear fission as an energy source for more than 25 years now, I originally and for some time believed that it could without undue difficulty, become the most important source of energy we have, especially for electricity. But problems have mounted, and delays, restrictions and technical uncertainties have dogged nearly every one of the many steps needed to bring a new nuclear plant into full operation, thus drastically slowing down the nuclear input to our energy system. The determined opposition of states and localities and citizen action groups, plus rising caution by the Atomic Energy Commission, has stretched out to ten years the interval between application for a plant permit and bringing the plant "on line" at an economic power level.

In part, the political forces at work reflect an exaggeration of the problems, or at least a failure to weigh fully the inevitable tradeoffs between energy supply and other factors. But these politically reflected concerns have a substantial basis, both as to safety and as to unnecessary and unacceptable environmental consequences. Only if we deal with these factors can nuclear fission play the role I believe it must play in our total energy picture by 1985.

On safety, a real uncertainty now exists concerning possible accidents which could have disastrous consequenecs—especially the failure of liquid cooling systems resulting in a meltdown of the highly radioactive core and release of the gaseous fraction of these radioactive products into the atmosphere. A year of hearings by the AEC has not persuaded the critics that current reactor plans are safe against such accidents, and the problem exists as well in the liquid-metal-cooled breeder reactor designs.

As I see it, the only way to meet these objections and so resolve the current impasse is to put all new plants underground. This is an entirely practicable course of action. Studies indicate that placing nuclear power plants underground would add only a small fraction to their cost. The extensive know-how of the mining industry plus that of the underground gas storage industry could be applied in placing such plants in suitable geological formations 500 or more feet underground near load centers. So located, with suitable locks in the elevator shafts to contain and hold back any pressure of radioactive gas in the event of an accident or a meltdown, these plants could meet the requirements for nuclear safety. Placed in a suitable impermeable geological formation, a meltdown, even if it buried itself below the underground chamber level, would not leak radioactive products into underground water or into the atmosphere.

The second big nuclear production problem today is primarily environmental; it concerns the effects of the water discharge from large reactors in heating up streams and larger bodies of water, thus altering the ecology in many harmful ways. Here Europe has pointed the way to the answer—large cooling towers, built on the surface to recycle and cool the hot water discharges with very low net water heating.

Finally, there are problems in the safety and security of handling and transporting plutonium, and in the perpetual storage of radioactive wastes. In these areas, risks cannot be totally eliminated, but they can and should be sharply reduced to an acceptable level by determined action—as we enter an era of massive production, transport and handling of plutonium, which is one of the most toxic substances known.

All in all, the measures required to permit expansion of nuclear-fission plants will not be cheap or easy. But if the necessary steps are taken, nuclear-fission plants should be able to provide roughly ten percent of our total 1985 energy needs (at tolerable levels of risk and bearable costs.) And experience in this next decade should tell us much about the degree to which we can hope to expand, by the end of the century, our use of nuclear fission, especially through the breeder reactor; in the 1985 time frame, the breeder is not likely to make a significant contribution.

If roughly ten percent is the best we can hope to get from nuclear sources by 1985—the figure used in our original Table I—it follows that there remains a very large shortfall from the proposed reduction in overall oil use. Even if we now assume that total consumption would be less than assumed in Table I, the proportion to be made up is in the order of 15 percent. Indeed, on my own best guess about the amount of domestic natural gas we shall be able to find by 1985, I should think that natural gas (even with some imports) should not be counted on for more than 15 percent of the total, and perhaps as little as ten percent; perhaps new gas reserves will be found on a large scale, but at the moment much expert opinion doubts this. We would do well to plan prudently on a figure not exceeding ten percent, or a total shortfall of roughly 25 percent of the total to be made up from sources other than oil or gas.

Inevitably, we are drawn to coal—and to greatly expanded coal production and gasification as the third central element in an action program. To whatever extent possible, coal as a solid fuel should be expanded in its own right, especially in electric power plants—using processes to remove the sulfur from stack gas such as the Japanese now employ. But for every reason—adaptability, transportability and environmental consequences—gas from coal is particularly important.

Available options for processing coal include conversion to low-BTU gas, high-BTU pipeline-quality gas, oil or various combinations. Technical, economic and time criteria should guide the choices made. But the great advantages of pipeline-quality gas for most uses justify major emphasis on this choice. A massive crash program is needed to move present process options forward. Current estimates indicate that the cost of capital investment in new gasification plants should be on the order of $20 per ton of daily coal fuel to process coal into pipeline-quality gas.

Any program to increase coal mining must face up fully to the problem of environmental impact. The necessary coal must come overwhelmingly from surface mines, predominantly west of the Mississippi. In the past, such strip mining has rightly acquired a bad reputation. Fortunately, a large part of the coal reserves in the West are located on public lands. Therefore, the federal government is in a position to set the conditions for mining operations. I believe it essential that such conditions include provision for restoring the land after the coal is extracted, putting solid waste from the mining process back underground and creating a land surface that must be at least as stable, fertile and val-

[2] Oil would not, of course, be the only energy source imported. As we know, substantial possibilities exist for the importation of natural gas from Canada and of liquefied gas from Algeria, the Soviet Union and perhaps other sources. Without judging the wisdom of expanding any of these sources, their proportion of total energy is not likely to add much to the ten percent of total energy represented, for this program, by imported oil. We would still be within reasonable aggregate margins of import dependence.

uable as the original. An allowance of $2,000 per acre for such purposes may be a fair approximation of what it would take, and this cost would have to be considered a basic cost of production. Underground mines must control pollution and use several practices which might increase costs up to a dollar per ton. Similarly, coal gasification plants can and must incorporate controls to avoid air and water pollution. Altogether, while the mere existence of the plants means that the countryside can never be quite the same in the future, the problem of environmental impact can at least be reduced to bearable proportions in view of the stakes involved.

Building up our reliance on coal would involve capital costs for mining production as well as for the gasification plants. In 1970 U.S. coal production was about 500 million tons and accounted for 20 percent of our energy needs. To meet 50 percent of total energy needs in 1985 (at the three percent intervening growth rate) would require a production level of two billion tons per year—a quadrupling of the 1970 level and an average growth rate for the next 12 years of 12 percent per year. Investment needed to produce this basic production increase can be roughly estimated at $10 per ton, or $15 billion. If two-thirds of the increase, or one billion tons, went to gasification, the plant investment would be approximately $60 billion, and there would be a major additional investment in gas pipelines. Finally, for the one-third of increased coal output burned directly in power plants (to replace present oil and natural gas supplies), a substantial railway transport investment would be required, as well as costs of conversion to coal where feasible, and desulfurization of stack gases.

Obviously, such a build-up of coal production and coal gasification is a truly major undertaking, difficult from a technical standpoint and costly and complicated in terms of the mix of private and public effort involved. It is a big job, but no bigger than the Manhattan or Apollo projects—in fact substantially less in proportion to the scale of the American economy in the 1970s and 1980s than what it was in the 1940s and even in the 1960s.

One crucial question remains—the adequacy of reserves. Before embarking on a course designed to make coal our principal source of energy by 1985 and thereafter, we need to assess the scale of our coal reserves and how long they might last. While I have stated my proposal purely in terms of 1985, it is obvious that we would not wish to mount an effort on this scale and then change course quickly thereafter; on the contrary, it is my own belief that we should plan tentatively at this stage to meet not just 50 percent but as much as 75 percent of our energy needs from coal by the year 2000. It is now forecast that natural gas reserves will be gone before 2000 and that global oil reserves will be declining fast (even with less U.S. consumption than now forecast). Thus, coal and nuclear power *could* be our overwhelming energy sources by that time, with coal by then being converted on a large scale to oil for transportation needs. Oil from shale might also have become a substantial source; present reserves of oil shale are such that we could produce five million barrels of oil a day for more than 300 years before such reserves are exhausted. We need not be quite this futuristic for concrete planning—but we do need to assess reserves on the basis of large assumptions to be sure of what we are doing in the 1985 time frame.

Happily, the coal reserve picture is reassuring even if all this comes true. The current Bureau of Mines estimates (1970) of U.S. coal reserves is 1,600 billion tons. If coal use now moves up steadily to 50 percent of total energy by 1985 and to 75 percent by 2000 (again allowing for a small but steady annual increase in energy use), then total consumption in the entire period from 1974 to 2000 would be on the order of 70 billion tons, or four and one-half percent of known reserves. Exhaustion of reserves would be roughly 100 years away in 2000, even if the use continued to increase at a steady rate.[3]

In sum, coal reserves are ample to meet the projected needs through the balance of this century and to leave us with supplies to last another century. Through the use of coal on this scale, coupled with the restriction of oil supplies to transportation uses and the regaining of our momentum on nuclear power, we could meet the strategic goals stated at the outset: minimal dependence on overseas supplies and reasonable rises in energy cost—to levels not over two or three times present rates. This is the best action program now available. It would get us through this period and buy crucial time for whatever innovations may develop, while allowing us to continue with expanded coal use if such innovations do not appear on a large scale.

IV

I have outlined this "Decade Program" first in order to define the key elements in our effort between now and 1985. These key elements are essential, they take time to bring about, and we must get started on them at once.

But as we do so we must also reckon that the required changes cannot be brought about immediately. The program needs at least the whole decade to take full effect, and in the meantime—even if we have cut our energy growth rate to three percent—we face extraordinarily serious problems. Hence, in addition to our Decade Program, we must have what might be called an "Emergency Program." This would dovetail as well as possible with the Decade Program but inevitably would not be wholly consistent with it.

Oil remains the crux of our present problem. The standstill on new refinery construction, partly for environmental and related political reasons and partly because of unattractive return on investment, may compel some rationing of gasoline this summer and of fuel oil next winter. And even if new refinery capacity existed today, an adequate supply of crude oil from abroad could not now be landed without at least one new "superport" and also large-scale new tanker construction. As for domestic oil development, the Alaska pipeline is still in abeyance, and offshore exploration is inhibited by state opposition and disputes wtih the federal government about royalties. Also significant is the public belief that all offshore operations are as disastrous as the Santa Barbara episode (which disregards the major operations conducted in the Gulf of Mexico and the North Sea for years without major accidents).

The fact is that we cannot avoid a continuing increase, for some years to come, in our imports of oil—especially from the Middle East. In 1973 we shall be importing 3.4 million barrels a day from the Middle East and North Africa, and two million from Latin America. These figures are bound to rise—for some years well above the Decade Program goal of only five million barrels a day of imports by 1985.

Finally, there is a basic policy question that must be faced—whether in common prudence the United States should now have a strategic reserve of crude oil or refined products to protect against interruptions. Crude stocks are currently below 20 days and refined products in the form of working inventories in the distribution system are less than 40 days—essentially minimum working levels with no strategic reserve. Such a reserve is something individual Americans have quietly urged on Europe for years, and in 1968 the members of the European Community accepted the obligation to build up oil stocks equivalent to 65 days' use. Now it has been proposed that this reserve be raised to 90 days. In the case of the United States, the targets need not be defined in terms of such periods of total oil use, but as our imports increase we should at least have a strategic reserve equal to perhaps 90 days of our imports, to cushion the shock of any interruption for political or bargaining reasons. To urge this does not indicate the slightest degree of hostility to the supplying countries; it is what businessmen the world over prudently do in order to negotiate on a relatively even keel with suppliers.

Solving all of these emergency problems will take both resources and ingenuity. In the case of refineries, I believe inland sites must be found, and new refineries must adopt available technology which produces virtually no air or water pollution. Such refineries exist in Europe; they can be matched here, and not at excessive cost. Similarly, superports must be built with expensive safeguards—their cost would be perhaps as high as $1.5 billion to unload ten million barrels a day, with additional pipeline costs to bring the oil to inland refineries, and conceivably an investment of $15 billion for tankers adequate to haul the ten million barrels a day from the Persian Gulf. It is a daunting prospect—and underscores the vital importance of preventing our maximum import dependence from going beyond roughly the ten million figure at any time, and the importance of reducing dependence as soon as possible to our target ceiling of five million barrels. The painful fact is that some part of total refinery capacity, and as much as half of the planned superport capacity, will become obsolete or surplus as we carry out the shift to coal and the reduction in the proportion of our energy needs supplied by oil imports.[4] When you have ignored a problem as long as we have ignored or misjudged the energy situation, the short-term requirements may not mesh with the requirements for the medium and longer term—and so it is in this case. We have to fix the roof and build a new house at the same time.

V

In short, it will take a two-fold crash program to master the situation, part directed to a transformation in our energy pattern by 1985, part directed to getting along in the meantime. The dual task involves a series of massive new efforts, some of them within the capacity of private companies, some beyond that capacity, some which will be so clearly uneconomical that private companies would be reluctant or unable to undertake them with their own funds. No one can now say just what the mix of public and private effort will be—but what seems absolutely clear is that a much larger public role will be required than now exists, partly to pull together all the strands of both parts of the program, partly to support private effort, partly to undertake those aspects that cannot be handled by private companies.

I see no alternative to new government machinery at the federal level. Accordingly, I propose a National Energy Authority (NEA) with a ten-year life and with appropriate powers to deal with the national emergency. This will mean authority to override ob-

[3] The actual calculation here is that 17 billion tons of coal would be consumed between now and 1985 and 50 billion in the next 15 years. The latter figure assumes that growth in total energy needs (in terms of BTU content of fuels) would have been reduced to two percent per year, versus the three percent target of the Decade Program and the present 4.5 present.

[4] It seems likely that substantial strategic reserves of crude and refined products may still be important to protect against the effects of import interruptions.

stacles in regard to land acquisition, siting, environmental impact, and other areas as necessary to carry out the program. This should not relieve the NEA of a very serious obligation to make environmental assessments of its proposed projects and to hold public hearings to develop the best available means to minimize the environmental consequences and risks of the actions it takes, but it would authorize the NEA to proceed with its program and not be stopped by the obstacles which stall so many things today.

Under the NEA it would be essential to create a National Energy Finance Corporation (NEFC) to provide funds for parts of the program which may not be privately financeable, including the superport, a billion-barrel strategic stock and its storage facility, sites for refineries, offshore production units, tankers, coal gasification plants, and gas, oil and coal pipelines. Large amounts of capital are going to be needed. An important obstacle today is that some of these essential investments are not attractive to private capital. In designing the NEA and the NEFC we have many examples such as the TVA and the New York Port Authority, the Reconstruction Finance Corporation and the Export-Import Bank. There are ample precedents for the kinds of authority needed and the appropriate legislation, controls and accountability.

The NEA should be an independent agency, perhaps modelled on the original Atomic Energy Commission, in any event as resistant to political pressures as that Commission was. I propose that NEA have a ten-year life and go out of existence in 1985 except for the NEFC, which is likely to be needed beyond that time. There are several reasons for this proposal. First, the exercise of emergency powers is anomalous in our system and should be limited to as short a time as required to overcome the emergency. I believe the job will take a full ten years, but can be done in ten years if the program is geared to such a timetable. Second, when the job is done most of the programs should be carried forward by industry on a commercial basis and necessary continuing governmental functions can be transferred to other agencies. Third, the best period in the life of any agency is the first ten years. After that the sclerosis of bureaucracy sets in and we certainly do not need any more bureaucracies. No one should seek a career in NEA—only the excitement and satisfaction of doing a critically important job and finishing it. Meeting numerical targets and being measured on performance in meeting them through frequent public reports is the kind of a challenge which should attract the kind of people needed.

The NEA will have to undertake extensive research and development and pilot plant and demonstration operations. It should, for example, underwrite the incremental costs and use its authority to clear the way for the first two or three nuclear power plants which are built underground. It should back the construction of several demonstration units of large offshore oil production operations incorporating the maximum safeguards in technology and procedures and should use these for public education and to provide a model for the industry, NEA can work out with the AEC appropriate joint activities in regard to the underground power plants, waste disposal, plutonium shipment handling and so on.

In addition, in the Program for the Decade and beyond, conservation should be an important component; this might include the creation of a national fuel efficiency service to effect economies in the use of fuels. Currently, there is an almost complete absence of professional interest, activity, or expertise in this subject—whether in universities, engineering firms, business enterprises or the government. A major task of NEA would be to stimulate such expertise and put it to work. As a result of coping with limited fuel supplies during the next few years, we may discover economies which are not only relatively painless but which reveal to us better lifestyles. Adopting such lifestyles might substantially reduce per capita energy use.

In the Emergency Program of NEA, one of the first projects will be a superport. It may be sufficient for the NEA to exercise the authority to establish the superport and to supplement its financing. Clearly the NEA must work in close collaboration with the oil industry in many of the things it does. It must be shown that gas and oil pipelines can come ashore on their way inland and leave no offensive trace of their transit across the coastline. A second project is to acquire inland sites for oil storage and refineries. It should be noted that even packed closely together a billion barrels of oil storage would take 10,000 acres or 15 square miles. Inland sites will save our finite coastline for better public uses. Another major project is the question of supplementary finance for tankers—at a time when world shipyards are solidly booked.

The NEFC will have much to do. To repeat, one problem in the financing of facilities such as the superport, tankers and perhaps the refineries is that at the end of the Decade imports are to be brought down again to less than five million barrels per day. The success of the Decade Program may mean a fairly early obsolescence for part of the capacity of the superports and tankers. Hence one key need for significant public financing.

VI

In laying out this proposed program, I have indicated some specific steps to minimize its consequences for the physical environment. In some areas we shall be better off in the new 1985 situation: our cars should be smaller and have reduced volumes of emissions; most fossil-fueled electric power plants will be taking sulfur out of the stack gases or burning clean non-polluting gas; new nuclear power plants will be safely underground and out of sight save for their enormous cooling towers; most important, a declining rate of energy expansion will make a great difference to the environment all across the board, at least as compared to what we are headed for at our current rate of expansion. This will represent a sensible modification of our past craze for growth, and the environment will be the gainer in some respects.

But not in others. Up to now we have behaved as if we had the luxury to have the best of both worlds. We have not made the tough choices. Now the energy emergency makes us choose, and the choices are few. Some environmental prices must be paid: one or more oil superports off the East coast, and added refineries (however pure) inland; the Alaska pipeline with residual risks that even the safest design and procedures cannot avoid; much increased offshore oil development, and much increased coal mining largely from surface sources—which even with the best possible measures would tend for a time to deface the particular area. I do not minimize these costs, but feel them keenly as one who has been active for several years in the scientific effort in support of national and international environment measures. In each case, the trade-off has been weighed, and it seems to me that the gain outweighs the loss.

VII

What I have proposed is a national program for the United States, calculated on the basis of particular American resources and American needs. One of its major purposes is, of course, an international one, to shorten the duration of costs, pain and strain—and, yes, of danger to world harmony and peace—that lie in a situation of growing American dependence on external energy sources, especially Middle East oil. But it is primarily the United States that would be hitching up its belt and putting its energy house in order, by measures that do not in themselves harm any other nation.

Is the program, however, not only national but nationalistic? Would it affect the world energy picture indirectly to the disadvantage of others, whether suppliers or consumers? Does it mean an increase in American autarky, fortifying the tendency other countries now see for the United States to take care of its own needs and let the rest of the world go hang?

The answer to all these questions is a resounding "No." This is most obvious if we look at the relations between the United States and the other major industrialized countries, which are also the major consumers of energy. As things now stand, Western Europe and Japan are inescapably dependent, far more than the United States and far longer into both past and future, on imported oil and gas; if the United States becomes a vastly increased buyer of both, the effect can only be, at best, friction, and at worst, price wars and preemptive deals that would cut at the very roots of cooperation between the United States, Europe and Japan. This danger is indeed already visible, and it will take a good deal of statesmanship to avoid it as things now stand; by 1980 or 1985, on present trends, the seeds of strife could be beyond control.

Yet Japan and most of Europe have no alternative comparable to what coal can be for America. Only the United Kingdom, among the major European countries, can meet a significant part of its need from coal and from North Sea natural gas—and the latter only at the expense of its neighbors' expectations.

Hence these countries should welcome a determined American effort to reduce dependence on the oil sources that are a "must" for them. And the same should hold true for the oil-consuming developing countries, now being badly hurt by the price rises of Middle East oil.

But does this mean that the oil-producing countries would be hurt? I think not. If Mr. Akins and others are correct, the 1980 prospect already assumes that at least two key countries (Saudi Arabia and Iran) will produce more oil, and tap a higher proportion of their predicted reserves, than they may like.[5] To prolong the life of these reserves and to space out the income of the producers can only be a net benefit to most of the producing countries. Their prices will rise in any event in the years to come, but the present prospect of runaway increases in production cannot be attractive compared to a more orderly expansion that prolongs their assets.

Indeed, I would go one step further. I believe that an American program such as I have described could be an essential ingredient in a new approach to the energy situation by the whole international community. On any rational look at the production and consumption of energy all over the world, the United States represents not only a statistical discrepancy and target for the role of villain (six percent consuming 33 percent, and getting greater), but a potential disruptive force in almost every market day by day; only if this is brought under control can the United States play any responsible role in the effort that may have to be undertaken within the next decade, or at least by the end of the century—to balance and distribute world energy supplies much more fairly and reasonably than nature or men have ever done to date. For unless we do this there is scant hope for human progress and peace in the long run.

Thus, I propose a program based in the first instance on American national interest.

[5] Akins, *loc. cit.*, p. 480.

But I deeply believe that this program could make a vast difference to international relations in the next 10 to 20 years, and serve as a step toward a more rational world use of energy for the benefit of man.

A STRONG STAND FOR PUBLIC UTILITY REGULATION

Mr. PROXMIRE. Mr. President, last month Wisconsin's newest public service commissioner, Richard D. Cudahy, delivered a most thoughtful speech before the Wisconsin State Telephone Association. Dick Cudahy is an old and very close friend, and he is on his way to becoming an outstanding commissioner.

In his speech entitled "The Future of Regulation: Is There One?" he notes that effective regulation is good not only for the consumer but also for industry. As he states:

> There is simply no way in which the public utility industry as a sector of private enterprise can continue to exist except in the context of regulation which is not only inherently sound but also credible to the public.

However, for regulation to be effective and sound, it is imperative that adequate research be made available to the commission—research which can make possible a fuller understanding of the problems faced both by industry and the public. Accordingly, Cudahy recommends the establishment of a regulatory research institute which would be set up under the auspices of the National Association of Regulatory Utility Commissioners. Cudahy believes that such an effort is essential to the very survival of regulation.

Mr. President, I strongly commend Dick Cudahy's excellent speech to the Senate. I ask unanimous consent that it be printed in the RECORD.

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

THE FUTURE OF REGULATION: IS THERE ONE?

(By Richard D. Cudahy)

Thank you very much for inviting me today to discuss with you what seem to me to be some of the major issues now confronting regulatory agencies, public utilities and, in particular, the regulated telephone industry.

I come before you not only as a regulator but as one who for a number of years served as chief executive of a business subject to a high degree of regulation. The industry in which I had my experience was, as some of you may have guessed, meat processing. Until recent dramatic developments, prices in this industry, as you may also know, were not regulated, but the conduct of manufacturing operations was very closely regulated. Representatives of the United States Department of Agriculture were permanently assigned to the plant. They could halt production at any time without notice or hearing and frequently did so when any condition was encountered which in their judgment was uncatisfactory in the light of the laws and regulations which they administered. For example, at certain times of the year the hair on the hogs grew thick, and it was difficult, even with the most elaborate processes, to remove every last trace of it. Often this resulted in numerous line stops, which in the aggregate could be expensive.

As I have suggested these stops were and are made without recourse to any of the fairly elaborate procedural machinery which surrounds the regulation of public utilities and which serves to protect them as well as their customers. I might add that in the meat business we would have been delighted with a legal presumption that we were entitled to earn a fair rate of return on our invested capital. This is something we tried to do but not always with success. In any event, we were one of the industries in this country to be regulated earliest (in 1906 after the publication of *The Jungle*). And I think we came to accept strict regulation with grace—if not always with enthusiasm. Almost everything with which we were involved (except our profits and losses)—from plant conditions and operating methods to the labels on our products—were under the watchful eye of the United States Department of Agriculture. A large corps of regulators and a thick body of rules and regulations were accumulated over the years to insure the public that our product was wholesome, untainted with any threat to health and accurately and honestly labeled. I cannot think of any subjects, even including good telephone service, about which the consumer is more sensitive than these, since, presumably, his fear of being poisoned exceeds even his anguish about not being able to use the party line in case of need.

But the United States Department of Agriculture, which from my perspective seemed very zealous and even, perhaps, unreasonable in some of its demands was subjected to "unshirted hell" by some of its critics on the consumer side. The same fate is likely to befall all us regulators, and it is a good rule of thumb that unless one is catching hell from all sides, one is not doing a good job.

As a regulator who has been among the ranks of the regulated I am deeply convinced of the need for insight by the regulator into the problems of regulated industry as well as comprehension by regulated industry of the full scope of the duties and obligations of its regulators. The touchstone of all meaningful regulation must be the public interest, and regulated industry must be quite clear on this point. A good regulator must be neither hostile nor servile in his attitudes toward the industry which is subject to regulation. His first duty is to be fair and his second duty is to be knowledgeable about the impact of his regulatory actions. It is also significant that he be sensitive to all the various public needs involved. These, at least, are my conclusions based upon experience both as one subject to regulation and as a regulator.

Contrary to what some of their critics suggest, regulatory agencies (or at least the Public Service Commission of Wisconsin) are not the captives of the industries which they regulate. But it can be said without qualification that the privately owned public utilities of this state and of this country are entirely dependent for their very life upon effective regulation in the public interest. There is simply no way in which the public utility industry as a sector of private enterprise can continue to exist except in the context of regulation which is not only inherently sound but also credible to the public. The only alternative to effective and credible regulation of the privately owned utility business is public ownership. This may seem so obvious that it does not need to be recited here, but I think that I ought to point it out in order to emphasize that you in the utility industry have as great a stake in effective regulation as any group I can think of.

Again, by way of analogy, I would go back to my prior experience to suggest that the meat packing business of this country would have difficulty existing as a private enterprise except with the enforcement of rigid governmental standards upon the aspects of that business which are of pressing public concern. Therefore, meat processors have a strong self-interest in the enforcement of strict standards of purity, wholesomeness and honesty of labels. But their interest is not as all-encompassing as the interest of public utility entrepeneurs in the vitality of their regulatory bodies since, in the case of public utilities, regulation comprehends all relevant facets of their basic economics. Public utility survival and effective regulation are completely inseparable.

I am concerned about the future of effective regulation in this country—certainly at the state level. Regulatory bodies are so immersed in attempting to put out today's fire or possibly yesterday's fire, or even last year's fire that they have little capacity for the kind of research or long-term planning needed to face the future with hope rather than despair. This is not a matter of adding some frills to the regulatory process; it is a matter of life and death.

I need not expound here at length about the vastly complicated problems of the energy industries. There we have a whole series of unanswered questions. There is the real problem whether energy resources will be even remotely adequate to meet future requirements. There is the running battle between insatiable energy needs and protection of the environment. The entire field of transportation presents major problems—particularly with the price of gasoline rising sharply and its availability falling.

In the telephone industry we, as regulators, are presented with the opportunity or challenge or can of worms—characterize it as you will—which is interconnection. We have made dozens but, so far as I am aware, we have not been able to think through all the wide ramifications of interconnection. Nor do we seem to know enough as yet about how telephone rates should be structured to integrate most effectively the traditional categories of local service, extended area service and toll service. We do not know much about how to rationalize the rate differentials between service areas where telephone service is rendered.

In a more general way we do not know much about how, in setting rates, to reward utility efficiently nor does it seem to me that we have any effective means of taking a new look at the standards for determining compensation for utilities. All of these matters and many others of a like fundamental nature require research in depth and consideration at length by well-equipped minds with some time to think. Under present circumstances those of us in state regulatory agencies, even including the very largest states, are not equipped to undertake the kind of research desperately needed to help find solutions to these problems.

As I have indicated earlier, the nature of the regulatory problem has changed fundamentally. We cannot go forward merely attempting to address ourselves to cases in a routine manner employing the methods which were developed basically to meet the problems of the 1930's or before. We must develop new methods and a new, and deeper, level of understanding. For this reason Jce Swidler, Chairman of the New York Public Service Commission and former Chairman of the Federal Power Commission, has proposed to the Executive Committee of the N.A.R.U.C. that a Regulatory Research Institute be set up under the auspices of the Association employing high caliber researchers to address themselves to the many fundamental problems now confronting regulation. A committee has been appointed by the Executive Committee to explore this idea and to develop ways and means of putting it into practical operation. I have the honor to be a member of that committee.

The basic purpose of the proposed Institute is to serve as a research arm of all the fifty state agencies which regulate public utilities. It would not be dissimilar in purpose from

the research operation of the National Association of Insurance Commissioners which has been functioning for several years and which has its headquarters in Milwaukee. By pooling state resources, by charging for certain research work, by obtaining foundation support for special projects and by a variety of the other means, the Institute intends to develop a budget which will support an effective research effort for the purposes indicated. I find it difficult to express to you here how vital and central I believe this effort to be to the very survival of regulation. Believe me, ladies and gentlemen, this long-range effort to solve long-range problems is not only desirable; it is crucial.

Those of you in the telephone industry should have a vital interest in the kind of project which I describe. A great deal of the research and creative thinking about public utilities today is partisan—that is, it is conducted by people who are, by preconception, either industry-oriented or hostile to regulated industry. Or the research is too academic to be easily applied. What we most need is to strengthen the *independent* research and planning efforts of the regulatory agencies, which can be (1) objective and (2) capable of practical application. To allow these agencies to flounder in the current turbulent regulatory seas without aid from sophisticated and reliable devices of navigation is to hasten the decline of regulation and to pose a threat to regulated enterprise in the private sector. As a practical man, I am not persuaded that research and theoretical analysis can supplant experience and judgment. But also as a practical man I know that in today's climate regulators of experience and judgment are severely handicapped by the crisis atmosphere in which they must operate.

Therefore, I hope that you will take a favorable interest in an independent research group to buttress the efforts of the many state commissions including the Public Service Commission of Wisconsin. We in Wisconsin are the envy of many state regulators because, among other things, of our excellent experienced staff and our enviable long tradition, I think, of leadership and integrity. But, believe me, our staff (not to mention ourselves) are incredibly overburdened, and we have been forced to dismount and fight on foot among the many and varied issues—many of them new to the battlefield—which are presently engulfing us. It is no answer to deny the importance of new issues and new forces surrounding regulation. We can survive only if we do battle on a much broader front than formerly.

Our regular docket of rate cases involving all public utilities is, as you are well aware, jammed. This is also true of a variety of other more or less traditional proceedings. Adding to this burden are new issues raised in rate cases and other proceedings, including environmental issues, which make these proceedings much more elaborate and complex than was formerly the case. In addition we are undertaking an inquiry into the demand for, and supply of, energy in the state. This goes to the fundamentals of service, rates, environmental impact, conservation and a number of other topics. We are also making a comprehensive investigation of credit, collection and deposit policies which are issues confronting many, if not most, of the regulatory agencies all across the country. Under present conditions these broader demands can hardly be escaped even if we should want to escape them. But I feel strongly that we are jousting with windmills if we undertake these inquiries without a broad base of reliable research at our disposal. And so many of our problems require a longer and longer lead time for successful solution.

The citizens of this state would like the best possible utility service at the least possible cost and having the most favorable impact on our environment. This is a three-dimensional problem much more difficult even than the two-dimensional problem of squaring the circle. You in the telephone industry are not as yet faced with the full impact of the environmental problem, but you are certainly confronted with the problem of inflation with its menacing consequences particularly for public utilities.

The United States rose to world power on the basis, among other things, of a generous supply of natural resources. Through open-throttle development of our economy as well as, in part through profligacy, we have moved to a position of deepening dependency upon foreign, and increasingly hostile, sources of raw materials. Our country reaches this important turning point at a time when its currency is already in the process of debasement, and its inflation seems uncontrollable. The energy problem is an important facet of the total economic challenge.

The cost of imported energy in 1972 was *five* billion dollars. It is expected to rise to *seven* billion dollars in 1973, *nine* billion dollars in 1974 and *eleven*, and possibly *fourteen* billion dollars in 1975. Additional projections go as high as *thirty* billion dollars in 1980 and *fifty-four* billion dollars by 1985. At the moment we are the world's biggest consumer as well as the world's biggest debtor. We have, therefore, only dubious ability to pay an escalating tab for energy imports. The energy crisis can become the energy catastrophe, with broad repercussions. The energy crisis presently co-exists with severe inflation. The crisis may compel us to take extraordinarily painful measures against inflation—possibly involving a new credit crunch. The public utility industry and its regulators, as well as all Americans, may be in for all sorts of unforeseen trouble.

In order to raise the foreign exchange necessary to support rapidly rising imports of energy fuels, we can export raw materials, industrial products or agricultural products. We have no raw materials to export, and our industrial products have lost their competitive edge through inflation and other factors. We shall continue to export agricultural products on a large scale (and this should be good news for the agricultural community and those who are serving it), but for many others these agricultural exports probably mean sustained high prices of food and continuing pressure upon the cost of living.

We are going to have great difficulty in becoming competitive in world markets for manufactured goods. We no longer have a monopoly on mass production technology. We cannot improve the terms of trade merely by continuing to allow the dollar to depreciate on international markets. A non-policy of this sort will simply cause other countries to erect trade barriers to offset the depreciation. All of these considerations and more no doubt underlay President Nixon's recent energy message, but it seems to me that a subject perhaps not given adequate weight in the message was the need to conserve energy not only on a voluntary basis but through some measure of legal and regulatory control. How this is to be done is one of the subjects which requires far greater objective research and consideration in depth than has yet been accorded it.

You may wonder how the telecommunications industry is directly affected by these painful problems involving energy. I have attempted to emphasize the broader impact of the energy problems upon the nation's economy since a raging inflation and a permanently adverse balance of payments or, on the other hand, an attempt to choke inflation with tight money does not provide an environment in which any rapidly expanding regulated industry can thrive. The telephone industry promises in the next decade to grow twice as fast as the general economy, and your stake in economic tranquility is commensurately high. Certainly existing inflation and the possibility of painful measures to quell inflation present a major challenge for an industry which lives in a goldfish bowl and which is a lightning rod for public concerns about our economic performance. At the very least you will have to cut costs in every feasible way.

Perhaps these comments are to gloomy—Cassandra-like in tone. Perhaps they do not sufficiently present the more optimistic possibilities. I can only say that the factors which I note are considerations which the best minds in America are weighing at this very moment. They are considerations which every regulatory agency must be aware of in its discharge of its day-to-day duties. Above all these possibilities (which are only some among many which I might cite) suggest an urgent need for better understanding and better long-range planning. Unless regulation can be better equipped with mechanisms to take the long view and to conceive and solve problems before they are immediately upon us, regulation will continue to lose public confidence and the danger of ultimate failure will increase. If regulation fails, it will be difficult for the utility industry to continue to function in its present form. For these very practical reasons I strongly urge your unqualified support for strengthening regulation for the long pull so that both regulation and you may have a future.

THE EFFECTS OF THE GASOLINE SHORTAGE

Mr. STEVENSON. Mr. President, on May 29, I had the opportunity to chair a field hearing held in Chicago by the Consumer Subcommittee of the Senate Commerce Committee. The purpose of the hearing was to assess the effects of the current gasoline shortage on the businessmen and consumers of Illinois and the Midwest. It was because of this hearing—and hearings on the same subject held in Washington—that I was able to conclude that the "voluntary" allocation program established by the administration was failing miserably. As a direct consequence, I joined Senator Moss, the chairman of the Consumer Subcommittee, in offering an amendment to S. 1570, the Emergency Fuels Allocation Act, which would make the allocation program mandatory. This amendment was adopted on June 1 by the Senate, and S. 1570, as amended, was passed on June 5. The bill is now pending before the House of Representatives.

Because of the continued interest in the subject of the gasoline shortage, I ask unanimous consent that my opening remarks at the Chicago hearing be printed in the RECORD.

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

OPENING STATEMENT BY SENATOR STEVENSON

The Consumer Subcommittee of the Senate Commerce Committee today continues its hearings on the shortages of petroleum products.

Today we shall examine particularly the practices of large oil companies and their impact on small businessmen and consumers.

My hope is to build a record upon which the Senate can act, if action is necessary. It may well be necessary. Indeed, the reason for present shortages of petroleum products may be government's failure to act.

For the long run, the nation, and the Midwest especially, face an energy crisis which

many have been predicting for years. In the future, it could imperil our national security and our economic stability, as well as our comfort and convenience. Unfortunately, little action is prescribed by the President, except the extravagant and dangerous transportation of oil from the north slope of Alaska to the West Coast, instead of directly to the Midwest, and more of the same—millions of dollars in tax breaks for the major oil companies.

Today we are primarily concerned with the short run, the fuel shortage now. Here also the government has failed to act.

Last fall I and others warned of a fuel shortage and urged the Administration to act by increasing oil import quotas. An Administration spokesman replied that "crude oil supplies and domestic refining capacity are adequate, at least through this winter, to meet projected demands for petroleum products in all areas of this country." Nothing happened—and in the winter the fuel shortage became a reality. Small businesses in Effingham and Quincy and other Illinois cities were temporarily closed for lack of fuel oil or natural gas; schools in Rockford and Wilmette and elsewhere were threatened with closings; and farmers throughout Illinois and the Midwest ran out of fuel for crop-drying.

Finally, when Senator Kennedy and I announced our intention on January 15 to introduce legislation to suspend the oil import quotas, President Nixon raised them. The President then waited another three months to end the quota system, a system he finally pronounced "of virtually no benefit any longer."

As oil refineries produced more fuel oil during the winter to meet the shortage, they refined less gasoline, gasoline consumption was increasing, and gasoline inventories were falling. It took little foresight to perceive a major gasoline shortage.

Over the last several months there came another ominous note. Independent petroleum marketers, jobbers and retailers who rely on major oil producers and refiners for their refined petroleum products, began to be cut off by their suppliers. In turn the consumers who depended on these jobbers faced a cutoff.

The independents "keep the majors honest" in their pricing practices. They provide the primary competition in an industry that sorely needs it. Independent retailers are estimated to save consumers $375 million annually. Already an estimated 180 independent gas stations in Illinois have closed. Every 1¢ increase in the cost of gasoline at the pump costs consumers about half a billion dollars yearly. Since August of last year the retail price of gasoline has increased over 3 cents per gallon. Some stations in Illinois are already charging 47 or 48 cents per gallon for premium gasoline, and the price may soon go higher.

There are antitrust implications in these matters. The antitrust laws are intended to preserve competition. But there is evidence that the major oil companies are using the fuel shortage they helped create to drive out their competition. If the independents are eliminated from the market, the price of gasoline and other petroleum products could continue to rise. And if farmers cannot obtain the fuel with which to plant their crops the already high price of food will rise higher. If truck and bus companies cannot obtain fuel, or are forced to pay a higher price, the costs of transport will rise.

In the face of all this the Nixon Administration has resolutely refused to act.

In March I joined Senator Eagleton and McIntyre in securing the passage of a law which gives the President the authority to allocate fuel to regions and industries in need. The Administration resisted that law at every turn, saying it did not want or need the authority, that no gasoline shortage was threatened, and that "just a few independents" and "a few marginal gas stations" might be forced out of business.

Now the Administration refuses to use the law. Instead it instituted a "voluntary" allocation system which exhorts the major oil companies to give the independents the same share of refined products as they received in a period covering the last quarter of 1971 and the first three quarters of 1972.

The Administration has not acted effectively on the alleged violations of the antitrust laws. The Federal Trade Commission, an independent regulatory agency, has been studying the oil industry at the request of the Senate Antitrust Subcommittee and it recently acknowledged evidence of antitrust violations. On May 11 I wrote the Attorney General, then Mr Kleindienst, requesting the Justice Department to investigate these matters The Subcommittee invited the Justice Department to testify here today. The Department responded last Friday to my letter and the invitation. It acknowledged that it now had initiated a "broad-based investigation" of the alleged antitrust violations but declined to testify. Although I know that evidence of such violations was sent to the Department months ago, there is still no indication when, or even if, the Department will act.

On May 25, I also asked the Illinois Attorney General, who has broad antitrust powers, to investigate and if necessary to act. For lack of action by the government, the independents are now forced to file civil antitrust actions. Three weeks ago a federal court here issued a temporary restraining order on antitrust grounds to prevent the cutoff of supplies by one of Illinois' major oil companies to a Chicago independent. Other such actions are contemplated.

It is against this background that we meet today to gather facts upon which the Congress may act.

A continued failure to act will deal another blow to the consumers of the nation racked by rising prices and now perhaps a lack of fuel at any price.

The large oil companies are fond of telling us that "the nation that runs on oil can't afford to run short." The nation that runs short of competition in its oil industry may not be able to afford the gasoline it needs. Action must be taken to protect the consumer and preserve competition in the oil industry. And in the long run the country must have a rational energy policy that will enable us to make the best use of our vast domestic energy resources.

THE CURRENT GASOLINE SHORTAGE

Mr. STEVENSON. Mr. President, there are many who would lay much of the blame for the current gasoline shortage, and the energy crisis in general, to environmentalists. I believe this is misleading, and that if one is going to parcel out blame on this subject, there is enough to go around to many groups—the energy industry, the auto industry, other industries, the Federal Government, citizen indifference in general, and perhaps even some to overzealous environmentalists.

On June 13, the Honorable Russell Train, Chairman of the Council on Environmental Quality, spoke before the Washington Rotary Club on this very topic. He dispelled many of the myths concerning the effects of environmental regulations on our energy shortage situation. He noted that there are those "who simplistically blame the strong concern over environmental quality as the cause of our energy problems," trying "to make the environmental the whipping boy for our energy problems." He states categorically that the assertion of blame to the envoronmental movement "is simply not true."

Dr. Train is candid, however, in admitting that environmental awareness has brought about changes in the types of fuels we use and the conditions under which they can be used. He admits that in some cases public concern over the environmental consequences of a particular action has "delayed the use of some energy sources." He goes on to say that—

These delays, however, have been part of a national effort to greatly improve measures to protect the environment.

And Dr. Train wisely cautions us that we should "not permit our current concerns over energy supply to obscure the fact that the environmental costs of energy production are likewise very real." He notes that both our energy problems and our environmenaal concerns are serious and real, and that "we need balance and restraint—by both environmentalists and industry—as we pursue both objectives as matters of high priority national interest."

Dr. Train closes with one of the better explanations of the energy crisis I have seen to date. He notes that—

The so-called "energy crisis" stems from the economic forces and complexity of the energy industry, from the difficulty in planning for our voracious energy appetite, from the need to satisfy social values—other than those that depend on energy—and from a failure to address our growing energy problems earlier. To blame this "crisis" solely on an increased concern over environmental quality would be a grave failure to face the problem honestly and squarely.

I ask unanimous consent that the full text of Dr. Train's thoughtful remarks be printed in the RECORD.

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

REMARKS BY THE HONORABLE RUSSELL E. TRAIN

Our current energy problem is complex and closely related to a wide variety of forces. Prominent among these forces is, of course, the question of environmental quality; but prices, technology, regulatory requirements, international relations, and national security considerations are also integral parts of the problem. There are some who simplistically blame the strong concern over environmental quality as the cause of our energy problems. This assertion is simply not true. I emphasize this point because there is a current tendency to make the environment the whipping boy for our energy problems.

A recent issue of a national news magazine quoted the chief executive of a major international oil company as identifying environmentalists as the major culprits in blocking new generating facilities and new refinery capacity. In my opinion, such statements obscure the facts, confuse the issues, and can only serve to delay effective solution of our energy problems.

Similarly, a spate of advertising has tried to convince the public that auto emission standards are the cause of major reductions in gasoline mileage. However, according to a study conducted by the Environmental Protection Agency, greater weight, automatic transmissions and air conditioners are more important causes of increased fuel consumption that pollution controls. Data from more than 2,000 1973 model cars show that fuel

economy loss (in miles per gallon) due to pollution control systems is less than eight percent as compared to uncontrolled vehicles. By comparison, the fuel economy loss due to air conditioning averages about nine percent, and can run as high as 20 percent on a hot day in urban traffic. In addition, the fuel loss from an automatic transmission is about six percent.

EPA's engineers attribute much of the decrease in gas mileage to increases in vehicle weight. Their investigation found that over the years, new vehicles having the same model designation have become heavier. For example, the Chevrolet Impala weighed 4,000 pounds in 1958, but weighs 5,500 pounds now. And as the weight of the car has gone up, its gas efficiency has dropped. The study found that a change of only 500 pounds in the weight of 1973 vehicles—from 3,000 to 3,500—can lower the mileage from an average of 16.2 miles per gallon to 14.0 miles per gallon—a decrease in fuel economy of nearly 14 percent. A thousand pound increase in weight, from 3,000 to 4,000 pounds, could lower gas mileage from 16.2 miles per gallon to 11.2 miles per gallon—a decrease of 30 percent. The plain fact is that we need to both reduce automobile emissions and improve automobile fuel economy.

Environmental factors also have been cited as a major reason for nuclear power plant delays. However, data from the Atomic Energy Commission does not support this allegation. According to the AEC, the National Environmental Policy Act review process is not the controlling factor in bringing a nuclear power plant into operation. The major requisite for licensing a plant is its readiness for fuel loading. And AEC data submitted to the Council in March indicate that final environmental impact statements were available, on the average, 8.2 months prior to the scheduled fuel loading.

And while environmentalists are blamed for power plant siting delays, it should be remembered that it has been nearly two and one half years since the President first submitted to Congress a "Power Plant Siting" bill. Should his most recent submission, the "Electric Facilities Siting Act of 1973," be enacted, the review and approval process for siting new plants would be simplified while giving the public earlier notice and a larger role in the decisions over power needs and how and where to meet them. And although some spokesmen for the power industry publicly lament the difficulties in getting new plants approved, the National Association of Electric Companies' position before the Congress has been that no new legislation is needed. If this legislation had been enacted, we might be two years closer to the institutional arrangements necessary to deal with some of our crucial energy problems.

Environmentalists have also been charged with hindering the construction of new petroleum refineries. Although some companies have been refused sites for new refineries, by and large the oil industry has been most reluctant to commit large sums to new refinery construction because of past uncertainty about government policies, such as oil import policies, and because of a severe shortage of cash from current company earnings. In addition, for the large international oil companies, extreme uncertainty as to their situation in the Middle East vis-a-vis the Organization of Petroleum Exporting Countries has created a wait-and-see attitude. Now that one of these uncertainties—the curbs on crude oil imports—has been removed, and oil company profits have improved, a number of oil companies have announced plans for expansion of existing refineries.

But the same uncertainties that hindered construction of new refineries and contributed to the shortage of distillate fuel oil this past winter, are now factors in the projected gasoline shortage this summer. Various oil companies spent large sums to advertise that they knew these shortages were coming. They blamed environmentalists. I would add a few points that were omitted from those advertisements.

Operating under conditions of uncertainty, the oil industry quite properly has turned to management science techniques—computers—to assist them in maximizing profit. According to the computers, the level of fuel oil inventory for the 1972–73 heating season did not need to be maintained at the same high level as the previous year. This made sense in terms of profits because gasoline is a more profitable product to manufacture and sell than heating oil. Unfortunately, the weather did not cooperate, and the cold snap which occurred early in the winter, after a cool, rainy autumn, unsettled the optimum production schedules, and set the stage for the supply dislocations experienced early in 1973.

It must be pointed out as well that through the first half of 1972, the U.S. refineries were not operating at peak capacity. Hopefully, now that the crude oil import restrictions have been removed, refinery production can be kept running at higher levels.

Having gotten all that off my chest, I would be less than candid not to admit that environmental awareness has brought about changes in the types of fuels we use and the conditions under which they can be used. Public concern over surface mining, land use, air pollution, wildlife, and offshore drilling has in some cases delayed the use of some energy sources. These delays, however, have been part of a national effort to greatly improve measures to protect the environment.

Let us not permit our current concerns over energy supply to obscure the fact that the environmental costs of energy production are likewise very real. The high levels of lung cancer and respiratory disease, such as emphysema, in areas with high levels of air pollution is a fact, not emotional imagining. Nor is the D.C. Health Department's recent warning about dangerous carbon monoxide levels at several city intersections environmental emotionalism. An official was quoted as saying that the department has considered putting signs up that read: "Warning: This Area May Be Hazardous to Your Health." The areas cited were the corners of 16th and 17th and K Streets, 13th and F Streets, Connecticut Avenue and Ordway Street, Logan Circle and Good Hope Road, S.E., between 13th and 14th Streets. This warning was followed by the year's first area-wide pollution alert Monday. Our energy problems are serious and they are real. Our environmental concerns are likewise serious and they too are real. We need balance and restraint—by both environmentalists and industry—as we pursue both objectives as matters of high priority national interest. Confrontation can only lead to polarization and irrational responses from all sides. We need to keep the problems in proper perspective. Above all, we need full disclosure of all the facts and the broadest possible public understanding of the issues.

Traditionally, our attitude toward energy has centered on more: more coal, more oil, and more gas to meet the needs of a growing nation. But unless we take steps to conserve our energy resources, we will exhaust supplies, even from new sources, in a relatively short time. There are many areas where we can start to work for energy conservation.

The General Services Administration, for instance, is constructing a new Federal office building in Manchester, New Hampshire, using advanced energy conservation techniques, with a goal of reducing energy use by 20 percent over typical buildings of the same size. The National Bureau of Standards is evaluating energy use in a full-size house as a means to develop analytical techniques for predicting energy use for new dwellings. These programs will assist the Federal government, architects and contractors to design and construct energy-efficient buildings. Current engineering and design of buildings is often outrageously wasteful of energy.

During the past two years, the President has twice directed the Department of Housing and Urban Development (HUD) to upgrade insulation standards in single and multi-family residences financed by the Federal Housing Administration. These revisions can cut heat losses by one-third in new homes, thus conserving energy in the residential sector.

Transportation offers many opportunities for saving energy. Transportation uses about 25 percent of the Nation's energy and energy efficiences of various passenger transporting modes vary greatly. The fastest form of transportation, the airplane, is also the one that uses the most energy per passenger mile. On the ground the automobile uses much more energy per passenger mile than buses or trains. While the automobile will not be replaced as man's favorite transportation mode, at least it should be possible to shift to smaller, lighter cars. With the fuel economy characteristics of present small cars, about 22 miles per gallon instead of the current average for all cars of less than 14-miles per gallon, the annual fuel savings could be enormous. In my opinion, it is imperative that our society shift its preference to smaller cars.

In addition to our use of smaller cars, perhaps by providing alternative forms of transportation, we can induce people to leave their cars at home during peak travel hours. I am hopeful that the up-coming Senate-House Conference on the use of the Highway Trust Fund for mass transit will result in more emphasis on mass transit solutions to urban transportation problems.

The President also has directed the Department of Commerce to work with the Council on Environmental Quality, and the Environmental Protection Agency, to develop a voluntary system of energy efficiency labels for major home appliances, and automobiles, and automobile accessories. These labels will not only provide data on energy use but, most importantly, a rating comparing the product's efficiency to similar products.

In the industrial sector, there are significant opportunities for energy conservation—in plant and process design, and even in the choice of feedstock materials. For example, in many cases significant amounts of energy can be conserved by using secondary materials in place of virgin feedstocks. In the paper industry, the energy consumption to produce pulp from recycled fiber is 70 percent less than the energy required using virgin wood pulp. Similar figures for the steel industry show a 74 percent savings in energy when scrap is used to produce steel instead of virgin iron ore. I believe we should explore aggressively the development of incentives, including tax incentives, to encourage greater recycling.

These proposals, for government, for industry, and for consumers, represent only a beginning in our efforts to conserve energy. By and large, however they all represent measures which are difficult to implement in the short run. But there are conservation measures which can help us deal with the immediate energy problems we face—for example, the gasoline shortages projected for this summer. Driving slower, forming car pools, riding bikes, making greater use of public transportation and practicing the ancient art of walking are but a few examples of immediate ways to conserve energy.

The so-called "energy crisis" stems from the economic forces and complexity of the energy industry, from the difficulty in planning for our voracious energy appetite, from the need to satisfy social values—other than those that depend on energy, and from a failure to address our growing energy prob-

lems earlier. To blame this "crisis" solely on an increased concern over environmental quality would be a grave failure to face the problem honestly and squarely.

It seems to me that the best way to deal with the difficulties presented by our current energy position is to completely reorient our thinking about energy. In the short run, we are looking for increased energy supplies. But in the long run, we must increasingly shift our efforts from simply *finding more energy* supplies to concerning ourselves with *how to use energy* to best meet our many needs.

INTERSTATE ENVIRONMENT COMPACT ACT OF 1973

Mr. BAYH. Mr. President, on Friday, June 22, the Senate passed S. 9, the Interstate Environment Compact Act of 1973. This bill is identical to legislation which the Senate passed last year after the original version was perfected by the hard work of the Public Works Committee and the Judiciary Committee. In its present form, S. 9 represents a responsible and desirable effort by Congress to foster interstate cooperation in environmental affairs.

We all recognize that pollution does not respect political boundaries. A polluted stream flows from one State to another; dirty air moves across the entire country; solid waste left in one place finds its way to a different one. For this reason, the Federal Government bears a special responsibility to assist State and local governments in their efforts to combat pollution. Friday, the Senate took an important step toward fulfilling that responsibility. S. 9, introduced by the distinguished Senator from Arkansas (Mr. MCCELLAN) will remove in certain instances an existing impediment to effective interstate cooperation.

As hearings last year before both the Judiciary and Public Works Committees showed, the requirement in article I, section 10 of the Constitution that Congress approve each and every interstate compact sometimes makes it unnecessarily difficult for States to enter into legally binding arrangements relating to environmental matters. S. 9 removes this barrier to cooperation by granting the preconsent of Congress to environmental compacts which concern planning, data gathering and sharing, monitoring, construction of necessary facilities, cost-sharing, and land-use regulation, not inconsistent with Federal law. For compacts concerning other environmental topics or other matters entirely, the safeguard of congressional approval in each instance is deemed necessary, and is retained. Thus, the bill strikes a delicate and proper balance between the need to keep a careful congressional eye on interstate compacts, and the desire to promote regional cooperation to deal with regional environmental problems.

Last year, I was privileged to serve on both committees which considered this bill—the Judiciary Committee and the Public Works Committee. Both committees made substantial and necessary alterations in the bill as it was introduced. I would be less than frank, Mr. President, if I did not point out that I had very serious reservations about the desirability of this legislation as introduced, and even as amended by the Judiciary Committee.

Along with the Senator from Michigan (Mr. HART,) the Senator from Massachusetts (Mr. KENNEDY), and the Senator from California (Mr. TUNNEY), I filed individual views dissenting from the Judiciary Committee's favorable report on this legislation. We pointed out there our two fears about the bill: First, the bill gave "inadequate recognition to the original purpose of the compact clause: the protection of national interests from political combinations among the States;" and second, that the bill provided insufficient safeguards against "State officials who might want to weaken environmental regulations without asking full political responsibility for so doing."

The Public Works Committee, however, under the leadership of the very able and experienced Senator from West Virginia (Mr. RANDOLPH), accepted several amendments I had offered in the Judiciary Committee, and made several other significant changes in the bill which substantially eliminated the fears I had about the bill. First, the Public Works Committee limited the scope of compacts—"supplementary agreements" as they are called in the bill—to which preconsent is granted. As amended, the bill does not grant preconsent to compacts which include any standard-setting or enforcement powers. Such compacts, which directly affect the national interest in strong and effective environmental controls, will have to be approved through the ordinary process.

Second, the Public Works Committee accepted my suggestion that supplementary agreements be approved by the legislatures of the States involved before preconsent is effective. This modified the provision of the bill as reported by the Judiciary Committee under which supplementary agreements would have been effective immediately upon the signature of the Governors, unless later disapproved. This change assures that State officials will take full political responsibility for the compacts entered into.

Third, the Public Works Committee substantially altered the procedure for congressional review. As reported by the Judiciary Committee, last year's bill provided that supplementary agreements would become effective 60 days after submission to Congress unless disapproved by both Houses. I felt, and the Committee on Public Works agreed, that this did not provide an opportunity for meaningful congressional review of these environmental compacts—the kind of review required by the Constitution. Therefore, the committee amended the bill to provide that the signatory States must submit a supplementary agreement to the President, or, at his direction, the Environmental Protection Agency, after it is agreed to. EPA will then report to the Congress within 30 days on the consistency of the supplementary agreement with Federal law and regulations, and the potential adverse or beneficial effects on the environment which may result from the agreement. If, within 90 days of the EPA report, either House of Congress passes a resolution of disapproval, the preconsent granted in S. 9 is vitiated.

The Committee on Public Works made a number of other important and desirable changes in this legislation. The Public Works Committee added a new section requiring all decisionmaking under the compacts to be on the record, after notice and a public hearing—an addition I sought to make in the Judiciary Committee. The Public Works Committee also altered this bill so as to require that members of interstate agencies established by the compacts would be subject to disclosure of financial interests, a highly desirable change. The committee also expanded the rights of citizens to sue under the compacts. And, very significantly, the committee adopted language I proposed to clarify the intent of everyone connected with the bill: that signatory States are to remain free to adopt stringent environmental controls except in those rare situations where such controls would prevent the realization by other signatories of significant benefits contemplated by the compact.

In sum, Mr. President, the Interstate Environment Compact Act of 1973 is a commendable effort to encourage interstate cooperation to control pollution. It is a desirable step forward in our Nation's fight to save its environment. I was pleased that the distinguished Senator from Arkansas (Mr. MCCLELLAN) reintroduced this legislation in the perfected form that was the result of extensive committee deliberation. I was pleased to have been able to participate in the committee consideration last year when this legislation was forged, and I was pleased to support it once again this year.

CRIME AND THE AGING VICTIM

Mr. KENNEDY. Mr. President, it gives me no great pleasure to once again call to the attention of my colleagues the deplorable situation that our Nation's elderly face today. The quality of life of hundreds of thousands of our elderly citizens is tarnished because of crime or the threat of crime.

Last year I joined Senator WILLIAMS in Boston at the hearings of the Senate Special Subcommittee on Housing for the Elderly on the effects of crime and vandalism on older Americans. It became all too clear from the testimony of the many witnesses that appeared at the hearing that the elderly are becoming the major victims of the criminal in our inner cities. Law enforcement witnesses stated that elderly persons in public housing projects are twice as likely to be victims of crime as other residents.

These crimes are not only the crimes of vandalism that one usually associates with inner city life; but they run the gamut of brutalization and intimidation. Murder, rape, robbery, larceny, assault, and fraud are being committed against the elderly with such ferocity and intensity that our senior citizens are living in virtual rented prisons.

We all share the view of the delegates to the 1971 White House Conference on Aging who stated:

A decent and safe living environment is an inherent right of all elderly citizens.

Unfortunately this right has not even come close to being realized. It is far past the time when we can be satisfied with promises from this administration. It is the time for prompt action.

President John F. Kennedy once said that it is not enough to add years to life—we must add life to years. Surely it is cruel and ironic that so many Americans live in fear and danger in the later years of their life. If we really mean that our millions of elderly Americans have the right to spend their last years of life with dignity then we must demand sound, effective Federal programs that are sufficiently funded to eliminate this deteriorating situation.

Mr. President, I ask unanimous consent that an article that appeared in the Spring 1973 issue of the MRI Quarterly, reporting on this serious situation, be printed in the RECORD.

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

CRIME AND THE AGING VICTIM

(By Carl L. Cunningham)

One evening last summer, a male resident of Kansas City was walking in the neighborhood where he had lived for many years. He observed three young males, all strangers to him, approaching from the opposite direction. Drawing near, they shot him three times—in the groin, in the stomach and in the leg. Then they ran away. They said nothing, made no demands of him and apparently intended only to take his life, which fortunately was saved.

This was an act of random, capricious viciousness; but tragically not without precedent today in any American city. The victim was close to his 70th birthday.

The problem of crime tolls now through the American consciousness with great repetition. Our social response to it reflects our contradictory views of its threat and what should be done to contain it. But the principal response to this trauma is fear, individual and collective, that our vulnerability to crime may exceed even our most pessimistic estimates.

In some of the British trenches in Flanders in World War I, there commenced to appear crudely lettered placards bearing the chilling question: "Who's the next?" Such signs could be hung today in many areas of American cities without fear that the question would be misunderstood; and one of the first groups to grasp the meaning would be the aging poor.

Curiously, the victim has been the most overlooked constituent in the pattern of social concern over crime, with the *elderly* victim being particularly obscured from public notice. Although there has been no lack of indicators that crime is exacting an extraordinary price from its elderly victims, there has been very little research into the question of specifically what the individual and social effects have been or, more importantly, how the problem can be alleviated.

Motivated by this lack, Midwest Research Institute is now engaged in a major study to those ends.

When completed, the study will reflect detailed analyses of each serious crime committed in Kansas City, Mo., over a period of a year, that involved a victim of age 60 or over. The data are being acquired from primary sources: police offense and investigative reports, interviews with the victims or their next of kin and neighbors, and interviews with parolees and other ex-offenders to benefit from their experience and perceptions of the aging person's vulnerability.

Although the study is several months from completion, there is an emerging pattern of crimes against the aging sufficiently clear to allow some important preliminary observations to be made.

WHY SPECIAL CONCERN FOR THE AGING CRIME VICTIM?

Persons in the over-60 age group are generally more circumspect and conservative in behavior than their younger counterparts. They seldom deliberately expose themselves in areas where they would most likely be attacked or robbed, and they are far less likely to form the type of liaisons and engage in behavior that frequently might lead to major acts of violence.

In addition, advanced age and the physical weakness that frequently attends it have traditionally held some shield before physical attack and harassment. Conventional wisdom would, therefore, seem to have it that the elderly are relatively safe from criminal victimization.

But the facts contradict this conventional assumption; the aged are, indeed, very vulnerable victims of crime.

It is important to consider the relative effect of crime on the victim. Though it may not always enrich or satisfy the offender, a criminal act has an inherent design for some one's loss. Crime is, in short, one of the great deprivers—an unnamed horseman of the apocalypse.

Societies, usually to their deteriment, tend to forget that deprivation is one of the most relative of functions in the human experience and must be dealt with accordingly. An attack against an individual who has good potential for recovery has diminished importance to one made against a person who has no reserves. A dollar taken from an 80-year-old widow living alone on social security and the same amount stolen from a young, employed worker defy realistic comparisons of loss. Thus, the problem of crimes against aging persons moves well beyond the matter of volume of offenses committed into the question of the social consequences of their greatly disproportionate effect.

The problem must, of course, be kept in perspective. To the vigorous, financially secure, elderly person, and especially one with a circle of family and friends, the effect of some forms of victimization may be little different from that suffered by a much younger person. However, the evidence is overwhelming that the aging crime victims, as a group, suffer most.

THE SOCIAL CONDITION OF THE ELDERLY

The changes in sociological conditions affecting the elderly, due in large part to urbanization, have significantly increased the older person's vulnerability to direct criminal attack or victimization.

Increasingly, the aging tend to live apart from the younger members of their family and many, left widowed, must end up living years alone. This process of isolation, coupled with the lowering of income that most experience, has the effect of concentrating the elderly urban residents in the older sections of cities—usually the areas with the highest rates of crime.

As their incomes drop and the costs of home ownership rise, many elderly persons who began their retirement in their own homes in relatively affluent neighborhoods find themselves pressured to move to lower-cost housing, which frequently has a high rate of deterioration. This general description, although certainly not applicable to all aging Americans, applies with sufficient frequency to be a critical factor in the quality of life experienced by many.

One of the most significant factors affecting crime rates is the age composition of the population. Crimes against persons are committed predominantly by individuals in the 18–24 years-old group. About half of all crimes against property—robbery, burglary larceny, and auto theft—are committed by persons under 18 years of age.

Moreover, the incidence of criminal victimization in the inner city is about nine times as great as in the suburbs. It is also in the inner city that the highest concentration of unemployed or otherwise idle youth are found, which is to say the highest concentration of criminally oriented youth.

Thus, as the aging are concentrated in the high crime urban areas, they are thrown into close contact with precisely the element of society most likely to attack or victimize them. Circumspection and conservative behavior are of little help to persons placed in such circumstances.

THE PATTERN OF CRIMES AGAINST THE AGING

The sad fact is that the ferocity and intensity of crimes being committed against the elderly reflect virtually the full range of crimes against persons of any age. Consider a few recent examples from our study:

Last fall, the home of two widowed ladies, ages 69 and 74, was burglarized by forcible entry; as it was *five times again* during the month of December. On one such occasion, the victims were in their home at the time and were mauled by two teenage males who were angered by the fact that they had only a crumpled dollar bill in cash to be taken. The work of the burglars toward the end of this series of crimes was, no doubt, made easier by the fact that the victims left their home at night out of fear. The crimes resulted in a total property loss of over $900, a house so ransacked as to be virtually unlivable, and its residents demoralized to the point they are likely never again to recover peace of mind or confidence in their environment. However, they must live on in that area because they have no other place to go.

A 69-year-old widow, watching television alone in her apartment one evening, was seized suddenly from behind and struck violently about the head. She lived long enough to explain to the police that she had never seen her assailant, though he had stayed long enough to ransack her apartment. But it seems likely that he committed an earlier, unsolved burglary of her home, since he had playfully said, "Guess who?" before he attacked her.

Another widow, in her 80's and living alone, was suddenly confronted by three young males who had broken in through the back door of her house. They ripped the telephone from the wall, tore up the house and assaulted her.

The modest home of a widower, crippled by polio, has been burglarized by forcible entry four times in the past year, each time during the three to four hour period in the afternoon that he spends shopping or with friends.

A woman, recently returned from the hospital where her husband had just died, found that much of his clothing and personal articles had been stolen during a burglary.

An aging woman was accosted in her apartment by a man who demanded money, then beat her so severely when she refused that she will lose an eye.

A 61-year-old woman was brutually raped.

And so the tragic record reads. The suspects seen or apprehended in all these cases were young—the oldest estimated to be in the mid-20's, the youngest about 11.

Table I shows a breakdown of the types of offenses involved in the first 300 crimes researched by MRI in this study. The victims had a median age of 69.6 years. Burglary is by far the front runner, followed by robbery and larceny.

Not all cases are being studied in depth, only those that most seriously threaten persons and property.

During the same 60-day period in which the listed cases occurred, there were at least 250 additional crimes victimizing persons over 60, involving auto theft, petty larency, and malicious destruction of property.

PROFILE OF BURGLARIES OF ELDERLY PERSONS

Burglary or any form of illegal entry of the residence is alarming to any person, and particularly the elderly. The primary basis for such alarm is not the loss of property, debilitating though this can be, but the sense of invasion and the ominous threat to life that always lurk behind this crime. It is plain that, in the minds of the victims who have been contacted thus far, the losses they have suffered are relatively inconsequential to the anxiety and fear of repeated invasion the crime generated.

A few victims have abandoned a home or an apartment at great financial loss in order to flee the possibility of being burglarized again. One elderly woman who was hospitalized after a burglarly-assault in her home never returned to it.

The prevalent pattern in the residential burglaries studied thus far was by forcible entry of a single-family house or duplex that was unoccupied at the time of the crime. Entry is most often gained through the front or back doors by breaking a glass and slipping the lock, or by breaking the corner of a pane of a window. In approximately half the cases, the portal of entry used was clearly visible from the street, a fact that is even more significant considering that at least half the crimes can be reasonably estimated to have been committed during daylight. In some cases, the time of commission was impossible to determine because of the extended absence of the occupant and lack of witnesses.

In nearly a third of the cases, the victim reported having taken some form of special security precautions before the crime occurred, such as having wire screen placed over windows and doors, installing special locks and—in one or two cases—electronic alarms. About 85 per cent reported they customarily lock doors and windows when away from home, and about 80 per cent said they normally lock doors and windows when home alone.

Several of the victims reported that before the burglary occurred, they had received ambiguous telephone calls or believe they had seen individuals looking over their homes. The interviews of known burglars thus far conducted have shown such actions definitely to be familiar preliminaries to a house burglary.

The items most often stolen were currency, television sets, guns, jewelry and radios, in that order.

Only nine per cent of the victims were at home at the time the burglary was committed.

Of the few persons who were aware of the burglary at the time it was committed, about half reacted to it by investigating, by seeking outside help, by crying out or—in one incident—by fighting back.

TABLE 1.—A SAMPLE DISTRIBUTION OF CRIMES INVOLVING ELDERLY VICTIMS IN KANSAS CITY, MO.

Offense	Number of offenses	Percent
Burglary	203	64.7
Robbery	63	20.1
Larceny [1]	30	9.6
Assault	8	2.5
Fraud [2]	8	2.5
Rape	2	0.6
Total	314	100.0

[1] Primarily nonviolent purse snatching.
[2] The national experience has shown this to be unquestionably an underreported offense by the elderly.

In 18 per cent of the cases, there was a suspect seen or identified by the victim or a witness. Almost all of these suspects were males; 75 per cent were estimated to be in their teens, and 70 per cent were black.

There are several important implications to these very generalized descriptors of residential burglary.

First, they indicate that, contrary to a popular conception that burglaries of the elderly have a primary focus in apartments and public housing developments, the single-family residence and duplex can be a prime target.

Second, the offenders have often shown a remarkable lack of regard for the possibility that their entry would be observed and reported by neighbors. In most cases, there were near neighbors on both sides of the residences.

Although the monetary losses were relatively low, with over half of the crimes resulting in an estimated loss of less than $100, there were numerous cases in which the offender passed up relatively valuable items to steal things that had little or no value, or to commit acts that placed the offense more in the category of malicious destruction than what might be termed a rational crime for revenue.

Many of the victims expressed firm convictions that the burglaries were committed by youthful offenders who lived in their own neighborhood. Over half of the victims believed that the offender knew the typical pattern of their life and were able to time the burglary with their absence.

SOME EFFECTS OF BURGLARY ON THE VICTIM

It is important to note the changes some victims reported in their living habits soon after the crime was committed. The most drastic of them, the abandonment of homes, has already been mentioned. But perhaps of equal importance is the fact that 40 per cent of the persons victimized by burglary reported that they no longer go some places because they are afraid of being burglarized again or of being criminally attacked.

This fear was no doubt substantiated considerably by the fact that over 20 per cent of the elderly victims had suffered one or more prior burglaries within the past two years. About 40 per cent of the victims stated that they had exepected their homes to be broken into before it happened.

Among the victims who live in the high crime areas, there is notable a very general and deep pessimism concerning their ability to protect themselves and their property. They refer to the victimization of friends and acquaintances and members of their immediate families, and the pervasiveness of crime in their neighborhoods. White victims living in racially mixed neighborhoods commonly express distrust and fear of their black neighbors.

ROBBERY

Virtually everything said of the threats and the fear generated by burglary applies to robbery as well. In addition, robbery invariably involves violence to the person, either directly or through intimidation by the threat of force. Thus, the real effects of robbery are greatly understated by the statistical indicators normally used, such as resulting monetary losses, injuries, and hospitalizations.

The added specter of homicide, or grave physical injury looms particularly large in a robbery. Therefore, the psychological effects of this crime, however committed and whatever the resulting loss, can easily instill fear that greatly transcends its proximate effects.

A very serious aspect of the robberies of elderly persons is the fact that nearly one-third of them were committed in or in the immediate vicinity of the victim's residence, and another one-third occurred in the victim's neighborhood, usually within four blocks of the home. The offenders, over 80 per cent of whom were reported as black males, were all estimated to be in their lower teens to mid-20's.

In gaining entrance to the residences, the criminals used deception more often than force. A knock on the door, a seemingly innocent inquiry, and the quick rush inside typified a tactic often used.

The location and timing of the robberies that occurred away from residences were, of course, largely determined by the pattern of movement of the victims. Bus stops, areas near points of relatively high cash flow, such as grocery stores, shopping centers, post offices and eating places were typical of robbery sites.

Robbery thus adds a dimension of fear over that raised by burglary—the fear to use public thoroughfares, shopping facilities, recreational areas and services that are so essential to individual well-being. The interdiction of such areas and facilities to the elderly is certain to contribute to social withdrawal.

THE MATTERS AT ISSUE

The basic social issue is whether conditions justify special action to help shield the elderly from the effects of crime, and to aid them more to help themselves in this regard. Of course, we hold that such actions are justified so long as society has any special concern at all for the well-being of the aged. For behind the cold, numerical descriptions that must be used to describe the criminal victimization of the aged lies a particularly shocking record of brutalization, deprivation and intimidation. It is no exaggeration to say that the quality of life of hundreds of thousands of elderly persons is today being drastically degraded by virtue of crime and the threat of it.

There are numerous special programs to aid the elderly in a material way—as properly there should be. Such programs evolve from the basic conviction that persons of advanced age require social support to help themselves. It is, therefore, all the more important to shield those benefits from loss or negation by criminal acts.

The second major point at issue is what should be done, and in what general order of priority? The research described herein has not terminated and is under the sponsorship of the Department of Health, Education and Welfare's Administration on Aging. It would be premature, therefore, to try now to detail procedures.

However, there are apparent many principal needs for action to alleviate the present vulnerability of the elderly to crime.

For example, physical security of residences in certain areas of a city should be improved by specific crime resistance planning in new construction; and where many existing structures are concerned, through public assistance.

The prevalent concept of the intergenerational neighborhood housing arrangement being conducive to the well-being of the elderly should be reappraised in the context of crime occurrence in the area.

The level of vigilance of communities where the elderly are concentrated should be raised and focused on the objective of quickly reporting all observed crimes to the police.

The elderly should be given more specific information to aid them to objectively assess their situation, and reduce their exposure to crime.

Special security patrols should be considered.

There seems to be some promise in the use of an ombudsman for security affairs of the elderly; therefore, that concept should be carefully investigated.

Escorted shopping trips, mobile check cashing services, and the gratuitous issue of personal electronic distress devices should all be examined for their potential to help alleviate the problem.

Few programs, techniques, or devices would have universal application; some would be altogether inappropriate for a given area or neighborhood. The timing and measure of their application must, therefore, be carefully planned and tested for effectiveness.

The type of actions just cited would be primarily aimed at helping to contain and alleviate the problems of the elderly crime victims while the long-range solution continues to be sought. However, in face of the deplorable security conditions in parts of every large American city, it is curious that such limited actions still draw the wrath of some social observers who argue that "hardening" the security of a home avails nothing in the face of a determined burglar who can always find a place to enter, that crime tends to diminish in the newly lighted street only to the detriment of the safety of a darker one nearby; that it is negativism to advise the elderly to stay out of certain areas as much as possible or never to go to them alone—as has been done in certain areas of Seattle—and that special security guards and extra police patrols "cannot be everwhere."

It is undeniably true, as an official of an East Coast city recently remarked, that the best way to help the elderly victim of crime is to "work with" the young people who are robbing and brutalizing them. Such work should proceed apace. In the interim, we do not have the leisure of a generation to judge its success. To a vast number of elderly Americans, arguments for such long-range solutions have little persuasion.

Of course, the proposition as to how crime should be reduced does not involve the simplistics of either the long-range or the immediate action approach, and certainly no suggestion is being made here to that effect. The fact remains, however, that there are very limited public and private resources that can be mobilized against this type of problem. As far as crime against the aging is concerned, we find ourselves overtaken by events. Priorities of action must, therefore, be carefully established; and effort expended first where it seems to have the best chance of having immediate effect.

To defer action because it offers only a partial solution, in favor of continued striving to accomplish what we have consistently been unable to do, would be merely empty piety.

STATES URGE IMMEDIATE ACTION ON RURAL TRANSPORTATION CRISIS

Mr. HUMPHREY. Mr. President, I recently received a letter from Mr. Russel S. Schwandt, president of the Minnesota Agri-Growth Council, reporting on a 17-State conference held in Chicago in late May regarding the current transportation crises.

The conference adopted two resolutions regarding rural transportation which were transmitted to the National Governors Conference. One of these resolutions endorsed Senate Joint Resolution 103—"Farm-to-Market Roads"—which I introduced on May 5, 1973.

S.J. RES. 103

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Transportation shall make a full and complete investigation and study of farm-to-market roads, railroad beds and availability of operational rail lines serving rural areas in the United States for the purpose of determining the condition and adequacy of such roads and rail lines to carry the volume and weight of agricultural and other commodities from rural areas necessary for the Nation's economy.

(b) In carrying out such investigation and study the Secretary shall consult with appropriate State and local government officials and other appropriate experts.

SEC. 2. The Secretary shall make a report of the results of the investigation and study pursuant to this joint resolution, together with his recommendations, to the President and the Congress not later than December 31, 1973.

SEC. 3. There is authorized to be appropriated such amount as is necessary for the purpose of this joint resolution.

The conference's resolution approving Senate Joint Resolution 103 follows:

RESOLUTION APPROVING SENATOR HUMPHREY'S "FARM-TO-MARKET ROADS" RESOLUTION

A joint resolution introduced by Senator Hubert H. Humphrey to direct the Secretary of Transportation to investigate and report on the condition and adequacy of farm to market roads, railroad beds, and the availability of operational rail lines serving rural areas in the United States should be endorsed, provided that such study includes a comprehensive analysis of the adequacy of railroad facilities and equipment as a whole in relation to transport demands.

Approved.

A second conference resolution, calling for creation of a committee to study the rural transportation crisis and propose legislation to remedy it, was also approved. This resolution follows:

A RESOLUTION

Whereas, this nation does not currently have adequate transportation facilities to economically move bulk agricultural commodities from farm to market and

Whereas, this nation is confronted with a bulk agricultural transportation bottleneck which wastes our great food producing potential while at the same time driving domestic food prices higher and

Whereas, this nation must rely on the sale of bulk agricultural products overseas if it is to obtain a favorable international balance of trade and stem domestic inflation, and

Whereas, the information is available within the Department of Agriculture and the Department of Transportation to confirm the deleterious cause and effect relationship of abandoned and inadequate rail facilities and substandard roads and bridges on grain movement and prices, now

Therefore be it resolved, that this conference recommend to the National Governors Conference that it take steps to bring about the appointment of a committee to be composed of appropriate members of this conference and the National Governors Conference, the Chairman of the House Public Works Committee, the Chairman of the Senate Public Works Committee, the Chairman of the Senate subcommittee on Surface Transportation and representatives of the Department of Agriculture and the Department of Transportation and that

The duties of said committee to be to compile and evaluate available data relating to this critical farm commodity shipment impasse and further,

To draft and have introduced into the 93rd Congress, corrective Transportation legislation which would overcome inadequacies in the current rail, highway, water and harbour facilities as these inadequacies relate to the shipment of bulk agricultural products.

Approved.

I was also provided with responses from a cross section of Minnesota agri-businessmen to a questionnaire on rural transportation prepared by the Minnesota Agri-Growth Council. The following excerpts from responses to the questionnaire are worthy of close attention.

The final question in the Minnesota Agri-Growth Council questionnaire states:

Summarize what improved rail service and improved highways would mean to your operation.

The following answers were provided by Minnesota agri-businesses responding to the qeustionnaire:

"This past year I could have doubled my volume of oats, increased corn volume two-thirds and soybeans two-thirds, also paid a higher price to the farmers. . ." reports a co-op elevator manager.

"More and greater profit to everyone," says a small agri-businessman.

"It means that we would be able to stay in business, we would be able to get our grain to market," one elevator company answered.

"Our interest cost would be considerably lower and our prices to the farmers would improve by two to five cents per bushel," says another elevator manager.

"Could handle an additional 500,000 bushels of grain," reports two separate grain elevator operators.

"It will mean whether we are able to stay in business or not . . ." one grain and feed dealer responded.

"When rail cars aren't available we must ship fertilizer by truck at $3 to $7 per ton increase in freight," reports a co-op producing fertilizer.

"Would generate $250,000 new income, multiplied by the economic rule of thumb of 6=$1,500,000 fresh business," says another elevator operator.

"Better assurance of product. Less transportation cost if we could have bigger payloads," reports a fertilizer company manager.

"Improved rail service would increase our revenue by 5–10%," says another co-op manager.

"Whether the elevator stays in operation or dies," we are informed by an elevator operator.

I ask unanimous consent that the letter from Mr. Schwandt of the Minnesota Agri-Growth Council be printed in the RECORD.

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

MINNESOTA AGRI-GROWTH COUNCIL, INC.,
Minneapolis, Minn., May 30, 1973.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR HUBERT: Last week I attended a 17 state conference in Chicago on the current transportation crisis.

This conference was called by the Illinois Department of Agriculture for the purpose of drafting resolutions to the National Governors Conference.

I am attaching two resolutions that will be of real interest to you.

There was a strong feeling that your joint resolution calling for a study be expanded beyond the Department of Transportation. The reason behind this feeling was a complete lack of confidence in the Department of Transportation. This has been further compounded by the Watergate issue.

I agreed I would convey this feeling to you and suggest you might consider amending your resolution by inserting the following words: (1) (In cooperation and in full concert with duly named representatives of the National Governors Conference and the Departments of Agriculture).

I have included a copy of the reprint of your resolution with the spot marked where this might be inserted.

There was broad support for your resolution and I believe it is possible for the National Governors Conference to support it.

I have also sent out a preliminary questionnaire and am including about 65 original answers that should be of some help in encouraging support for this study.

I deeply appreciate your interest in this problem.

Adequate transportation is vital to our economy, the health and security of the nation.

Very Best Wishes,

RUSSELL G. SCHWANDT,
President.

NATIONAL AUTISTIC CHILDREN'S WEEK

Mr. DOLE. Mr. President, this year, Congress passed a bill which designates the last week in June as the first annual National Autistic Children's Week. All of us who are familiar with the problems of autistic children are extremely pleased to have this opportunity for national exposure. Such exposure is vital in that one of the most important steps in assuring adequate treatment programs is to educate the public as to the nature and needs of these children.

Ten years ago very few people other than doctors, psychologists, and teachers, had ever heard of autism. Fortunately, attitudes toward all kinds of handicaps are changing. A great deal of progress has been made and there is more open discussion of the problems encountered by handicapped people. However, though most people have heard of autistic children, they have little understanding of what these children are like and what their special needs are.

Much lack of understanding of autism is due to the relatively new recognition of the syndrome within the professional community. Only within the past 25 years have autistic children been identified as a group and thought of separately from other mentally handicapped children. It was an American psychiatrist, Prof. Leo Kanner, who first described the syndrome of early enfantile autism in 1943. The term he used, "Autism," is derived from the Greek word autos, meaning self. Professor Kanner adopted the term, because he believed the aloofness and social withdrawal displayed in the early years were important features of the autistic child's behavior. Their inability to communicate may be displayed in a variety of ways: Delayed or nonexistent language development; failure to respond to the sight or touch of their mother; lack of interest in those things which arouse curiosity in a normal child; loss of contact with reality and other behavioral problems.

In attempting to describe autistic children, it is difficult to give definite symptoms. Although one can identify a group of children suffering from childhood autism, each child is an individual and different from all others with the same diagnosis. Some children scream continually, resisting any soothing. Others may lie passively, not even crying when hungry. Each of them, however, have the same need for a home and family, love, and an opportunity for the fullest development of their positive assets.

In order for these children to develop to their fullest potential, we need to supply more educational programs specially suited to their problems. It has been shown that, with special training, those who were at one time confined to residential homes, can learn to manage their behavior well enough to live in sheltered workshops and half-way houses. Many communities have recognized this need and have initiated special programs. One such program was related in a National Society for Autistic Children newsletter in December of 1972. The story was about Elly, a young autistic girl, who had returned to a Girl Scout camp for the second summer as a camper. At the camp she was able to live with girls her own age and participate in many of the wholesome activities of an outdoor life. Not only was it a rewarding experience for Elly, but an enrichment to the lives of those who learned to accept Elly's handicap and establish a genuine friendship with her.

Elly's experience at summer camp is only one small example of what can be done to help the autistic child. The opportunities are abundant, but they must be used. Certainly, professionals trained in special education are needed to teach and work with the children, but an important part of the child's development lies in exposure to everyday experiences, particularly with children of his own age. Such experiences not only offer benefits for the participating child, but gives those working with the child the chance to discover that autism is not a handicap to be feared but one which can be understood and accepted.

Mr. President, as an honorary member of the National Society for Autistic Children, I urge everyone to observe this special week—the National Autistic Children's Week—with a great deal of thought. And remember, the autistic child may shut you out of his world, but do not shut him out of yours.

NIXON'S PHASE III: AN ECONOMIC POSTMORTEM

Mr. HUMPHREY. Mr. President, the latest edition of Business Week has published an article that analyzes the failures of the Nixon administration's phase III policies. This article makes it abundantly clear that massive economic mismanagement was the hallmark of Nixon administration policies during phase III. Faulty forecasting, stubborn philosophical beliefs, failure to examine the economic indexes properly, and failure to understand the changing nature of the inflation process in the United States—all contributed to the premature January removal of phase III guidelines and in June forced the President to institute another price freeze.

Mr. President, the American people have paid a tremendous price for the Nixon administration's inability to understand and manage the American economy: prices are higher than ever before, interest rates are climbing, the dollar has been devalued, unemployment is high, and the Nation faces a fuel shortage.

I would hope that the administration proposes a phase IV program that is fair, firm, and equitable; that requires adequate prenotification; and that is strictly enforced.

Mr. President, I ask unanimous consent that the article, "Why Phase III Failed," by John Cobbs be printed in the RECORD.

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

WHY PHASE III FAILED

(By John Cobbs)

In cases of unexplained death, the law requires an autopsy to identify the causes and determine whether foul play was involved. The sudden death of Phase III of the Administration's wage-price control program calls for a similar postmortem. The findings may help the nation avoid another disaster the next time the controllers relax their rules and try to return the economy to the discipline of the market.

The primary cause of Phase III's death obviously was excessive fiscal and monetary stimulation of the economy last year. The Nixon Administration was determined to come up to the 1972 elections with the economy in a strong upswing. In fiscal 1972, it piled a budget deficit of $23.2-billion on top of the $23-billion deficit of the previous year. And for fiscal 1973, which ends next week, it is running $18-billion in the red.

Meanwhile, the Federal Reserve accommodatingly let the money stock (currency plus demand deposits) grow more than 8% during 1972. This was well above what a healthy, noninflationary expansion of the economy would have required.

The stimulating effects of fiscal and monetary policy always operate with a lag. By the end of 1972, the U.S. economy was expanding at an annual rate of 8%, almost twice the growth rate that it can sustain over the long run. But it was just beginning to feel the impact of the big deficit and rapid monetary growth in the last half of 1972. Wholesale prices, which had been reassuringly steady through the summer and autumn of 1972, took a sudden bounce in December. This was a warning of trouble to come.

A WRONG DIAGNOSIS

This, of all times, was the moment that the Administration picked to end the relatively tough controls of Phase II and launch Phase III. It was a classic case of misreading the evidence. Treasury Secretary George P. Shultz and Chairman Herbert Stein of the Council of Economic Advisers were watching the consumer price index, and they thought they saw signs that inflation was abating. They should have been watching the production index. It would have told them that the U.S. was roaring up toward the top of a boom at a pace that was bound to generate new inflationary strains.

With demand pressures building so rapidly, it is doubtful that even Phase II controls would have worked well in the first half of 1973. The Administration's control system was designed to deal with the cost-push inflation of 1970 and 1971. Its real emphasis was on wage controls—on the assumption that, with the economy operating far below capacity, business would have little incentive to raise prices except to cover cost increases.

But the nature of inflation has changed. It is now a demand-pull process, fueled by rising incomes. For the moment, prices rather than wages are where the inflation is centered.

If the Administration's policymakers ever had a chance of making Phase III work, they

threw it away at the moment they announced the new program. Shultz and his new director of wage-price controls, John T. Dunlop, talked vaguely of "voluntarism" and a self-policing system. Council Chairman Stein cheerily predicted that the boom would slowly convert itself into healthy, noninflationary growth.

Businessmen concluded—rightly, as it turned out—that the Administration did not know what it was doing, that there would be no real enforcement, and that price controls, to all intents and purposes, were suspended. Many also concluded that Phase III would collapse in a matter of months, and they hustled to mark up their prices before a new freeze was imposed.

A TERMINAL CASE

Meanwhile, back at the ranch, more trouble was cooking. Food prices were always the weak spot in the control system, even under Phase II, because President Nixon had refused to put controls on farm prices. Throughout 1972, the Agriculture Dept., which always lives in a world of its own, continued its traditional programs of price support and crop limitation. From March to November, the index of farm product prices gained about 7.6%. Then everything went to pieces.

Consumer demand—especially the demand for meat—increased strongly with the rise of incomes. Bad weather cut the crops. The Russian grain deal touched off an explosive rise in wheat and feed prices. In December, the farm products price index shot up from 128.8 to 137.5, a gain of 6.8%. By April, the index was up to 160.9, or almost 25%.

The short and unhappy life of Phase III, therefore, was marked by a breathtaking rise in prices at every level of the economic system. The consumer price index, which had made it through 1972 with an increase of only 3.4%, climbed at an annual rate of 12% and more. And so on June 13, President Nixon went on nationwide television to tell the country that Phase III was finished and a new freeze was on.

Does the failure of Phase III mean that the U.S. is permanently committed to controls?

The answer, of course, is no. But the nation is certainly stuck with controls—and tough controls at that—until the pace of the economic expansion slows down.

Phase III failed because the Administration misjudged the strength of the boom. But with a tight lid on federal spending and with a tough policy on expansion of the money stock, there is still a chance to slow the economy to 4% growth without pitching it into a new recession. If the Administration makes the most of the opportunity, it then can stop the proliferation of Roman numerals and lift controls at last.

TRAINING NEEDS IN GERONTOLOGY

Mr. CHILES. Mr. President, the lack of trained personnel to staff service programs for the aged has become a recognized and serious problem. With last month's signing of the Older Americans Comprehensive Services Amendments into law —Public Law 93-29—the services for the elderly should be increased even more. The gap between the knowledge and services for the elderly and the manpower available to implement the programs is a critical problem to gerontologists and specialists in the field of aging.

Therefore, the administration's proposal to cease all categorized training programs, including those authorized under the Older Americans Act, is of grave concern to myself and the Special Committee on Aging. At the request of committee chairman, FRANK CHURCH, I recently conducted a survey of gerontological programs at colleges and universities across the country to assess the effectiveness of their programs and the implications the administration's proposal would have on their output. I was deeply impressed by the overwhelming response to the survey, clearly indicating that the termination of the training programs in aging would have dire impact on the overall supply of trained personnel in the field of gerontology.

To explore this alarming situation, I conducted hearings last week in Washington on "Training Needs in Gerontology." Two days of testimony supported the information gathered from my survey and showed further the value of training programs in aging and the demand for their existence. Our witnesses showed how effective and productive training programs have been. The witnesses agreed that their aging programs would be seriously curtailed by the administration's proposal and, in some instances, entirely liquidated.

Our hearings opened with a panel from the University of South Florida—USF—in Tampa. Dr. Albert Wilson, director of the aging studies program at USF, and two students from the program testified on the value of the Federal support to the individual student and to the overall program. Dr. Wilson stated that if Federal funding is phased out, the program will not continue to attract the "second careeer" students who make up a large percentage of their program. The cutoff would seriously curtail the capacity of the program to give technical assistance to the developing community programs. The students stated that without the help of the Federal stipends they would have had to forego their commitments to the field of gerontology or would have to attend courses part-time and be detained in obtaining their degree.

The suddenness of the administration's decision to phase out these training funds "allowed no way for universities to respond with alternative means of maintaining their programs," according to Dr. Walter Beattie, director of the All-University Gerontology Center at Syracuse University. Dr. Beattie went on to say that—

For many programs, the result of this sudden withdrawal of support is the eradication of a number of gerontology training programs throughout the United States and the serious weakening of all such programs.

Dr. Beattie was testifying not only for his program at Syracuse but on behalf of the Association for Gerontology in Higher Education, which represents 26 university aging programs.

Testimony by Dr. Percil Stanford of California State University at San Diego, described the serious effects the cut would have on minority education in gerontology:

There are far too few persons trained to work with older people in general and there is even greater need for trained persons to serve a variety of ethnic and other minority older people. If persons are going to be trained in any way to work with older people, they should have the appropriate knowledge to be effective with whatever culturally different persons they are serving.

Dr. Stanford said that the student loan type of assistance being proposed by the administration as an alternative to the training grants would be almost useless to the minority student. Cultural barriers would prevent these persons from obtaining such loans, and "many banks are carefully screening the persons who they wish or do not wish to receive such loans." With no credit history themselves or within their family background, it would be extremely difficult for many minority students to receive such loans.

Administration witnesses opened our second day of testimony. Assistant Secretary for Legislation at HEW, Stephen Kurzman, opened his statement by stating that the administration recognized the "continuing and increasing demand for persons who have completed both undergraduate and graduate programs that will enable them to help operate programs in the field of aging." Mr. Kurzman asserted the the administration's proposal to replace the "narrow categorical training programs" with a general student aid program would be ample assistance in supplying adequate support for training programs in aging.

Said Kurzman:

Under this student aid policy as contrasted with a policy of offering student stipends for specific categorical programs, both undergraduate and graduate students will receive assistance irrespective of their career choices. This means that career choices will not be related to solving immediate financial problems.

The administration's contention is that with this type of "noncategorical training" assistance combined with the "comprehensive, coordinated research program" supported by the Federal Government, adequate training will be available for those seeking knowledge in the field of gerontology.

His position was challenged by all of the succeeding witnesses. Dr. George Maddox, director of the Duke University Center for the Study of Aging and Human Development, Mr. Elias S. Cohen, assistant professor of social administration at the University of Pennsylvania Medical School, and Dr. Wilma Donahue, renowned educator in the field of aging, came before the committee as a panel to present their views on the administration's proposal.

Dr. Maddox said:

The Administration, using biomedical research and training, argues that goals for planned expansion in specialized manpower have been reached and that the law of supply and demand will now suffice to produce needed manpower. This argument is generalized to include training in aging. . . . But we argue that our estimates of immediate and long-range for trained manpower in aging indicate the need for an increased, not a decreased, investment at this time.

Dr. Donahue said:

The 36 training programs now receiving support from the Older Americans Act are on an average less than 5 years old. They are, thus, especially, vulnerable to erosion and elimination, and particularly so when in competition with other professional fields. Social work, public health, education, medicine and

so on have the advantage of a long history, hence they have the prerogatives and strengths of high seniority.

Mr. President, it is my deepest contention that these gerontological programs must be fully supported and encouraged to continue in their motivating endeavors in the field of gerontology. I was so impressed, over and over again, by the enthusiasm exhibited by many of our witnesses, particularly the students from USF, Federal City College, and Howard University. Their willingness and interest to work with our elderly citizens and to grasp as much knowledge about the aging process should not be dampened. The administration's proposal to phase out categorical training could do such damage. The Congress must act to counteract such action.

Mr. President, it is essential for this country to establish and maintain programs which are sound and effective in meeting the needs of our elderly and this means supplying sufficient manpower to staff the services our legislation creates. I strongly urge the Congress to take the necessary action to continue categorical training in the field of gerontology.

A CLARIFICATION OF ISSUES ON SANCTIONS AGAINST RHODESIA

Mr. HUMPHREY. Mr. President, Ambassador John Scali has expressed deep concern about the United States' violation of international law in breaking sanctions against Rhodesia. Ambassador Scali is to be commended for his honest evaluation of the impact our violation of sanctions has on the prestige and credibility of the United States abroad. It is Ambassador Scali's right and obligation to make his fellow Americans aware of the problems caused by U.S. policies in the organization he is accredited to. I also appreciate his deep concern for the cause of human rights.

Some believe that Ambassador Scali and the member states of the United Nations are mistaken in their defense of sanctions. They express concern that we would be surrendering our sovereignty to the United Nations and violating our obligation to uphold and defend the Constitution of the United States if we were to comply with sanctions.

It is true that the United Nations is an organization made up of sovereign states and has no right to interfere with national sovereignty. But I respectfully disagree with the argument that our sovereignty has in any way been infringed upon by the imposition of sanctions against Rhodesia or that in this case there is any conflict between our obligation to defend the Constitution of the United States and our responsibilities as a member of the United Nations and of the international community.

When sanctions were first imposed in 1966, and again when they were extended in 1968, the United States had the right to veto these resolutions in the Security Council if they were clearly in conflict with our national interests. But we did not. We wholeheartedly supported them. We did so, because these resolutions were in keeping with key principles expressed in our Constitution: The commitment to human rights and government by consent of the governed.

I believe that the most crucial international relations question raised by the sanctions issue is not whether the United States or the United Nations is sovereign in making our foreign policy, but whether the U.S. Government is committed enough to the principles expressed in our Constitution to stand with the United Nations in defense of those principles.

A second related point I wish to clarify is the argument that the United States originally supported sanctions out of a sense of duty to our friend and ally, Great Britain. It is further argued that Great Britain does not reciprocate this sense of duty, as evidenced by her trading with North Vietnam during the Vietnam war.

As close as relations are between the United States and Great Britain, neither determines its foreign policy out of a "my ally, right or wrong" attitude. Some of the most tragic errors in history have resulted from blind loyalty to allies. The United States and Great Britain both strongly supported sanctions in the beginning, because of a common commitment to human rights and self-determination—and to achieving them through a peaceful means.

The defenders of Rhodesia seek to imply that she, too, is an ally in her commitment to these principles. They argue that Rhodesia "is seeking to do what the United States did almost 200 years ago; namely, to declare her independence from Great Britain."

I respectfully disagree. The Rhodesian Information Office and others work hard at creating the impression that her unilateral declaration of independence from Britain is simply history repeating itself. Nothing could be further from the truth. The 5 percent of the population that is white declared independence for the sole purpose of assuring that the 95 percent who are black would never have a voice in the government of their country. There is no fundamental commitment to the principle that all men are created equal in this declaration of independence.

Those who oppose sanctions argue that Rhodesia is not the only place in the world where an elite rules over the majority of the people without their consent. This is true. And I believe that the United States must use peaceful means to encourage democracy throughout the world. We must pursue foreign assistance policies which encourage popular participation in economic development. We must remain true to our own democratic principles in all our domestic and foreign policies in order to provide the most effective possible example of a working democracy.

I want to point out that Rhodesia is one of the few places left in the world where a white minority rules over a nonwhite population—and has separate laws, separate privileges, and separate services for them based exclusively on race. This racial discrimination makes Rhodesia's a singularly abhorrent form of oppression—both to Western states committed to human equality and non-Western states which have so recently become free from racial domination. It is a form of oppression which the United States, as one of the largest multiracial states in the world, has a unique responsibility to protest.

Finally, it is argued that the United Nations was wrong in declaring Rhodesia a threat to peace. Some see Rhodesia as an innocent victim, a peace-loving little country. May I remind my colleagues that the U.N. Charter gives the General Assembly and the Security Council the authority to determine when a nation is a threat to peace—and that the United States fully agreed with this decision. Second, Rhodesia's rebellion against Great Britain was a threatening act. Sanctions rather than violence were chosen by the international community to help bring about majority rule in this area.

Finally, it is misleading to portray the Rhodesian white supremists as peace-loving innocent victims. By ruling the majority of the population through force and violence, by giving them no way of expressing their desires other than through the violence of liberation movements, by planting landmines on the Zambian side of their common border—they have indeed threatened the peace of their own country and of the entire region.

Mr. President, I realize this is a complicated issue we have raised. I hope that this clarification of some key points will help my colleagues in the Senate make a wise and informed decision on whether we should continue U.S. violation of sanctions against Rhodesia.

ALLEGED "DRUGOLA" CHARGES IN RECORDING INDUSTRY

Mr. BUCKLEY. Mr. President, the dismissal last month of the president of CBS Records has touched off a number of allegations and rumors affecting CBS Records in particular and the record industry in general.

In a column published in the New York Times last week under the title, "The Drugola Scandal," William Safire writes of what he says is "the use of hard drugs—cocaine and heroin—by the businessmen in music to bribe their distribution outlets, or to entertain their entertainers." Mr. Safire further states that hard drugs are "the new currency of the record industry." What is particularly disturbing is his allegation that executives of the Columbia Broadcasting System are, in effect, covering up this scandal.

I have no way of knowing if Mr. Safire's allegations are correct. Nor do I know whether the stories now being circulated about business practices in the record industry are remotely close to the facts. Last Tuesday's Wall Street Journal, for example, reported that "rumors and vague charges of mob infiltration, payoffs in sex and drugs and outright fraud have shaken the industry's executive ranks."

These rumors and allegations are deeply disturbing. Their implications are serious. They reflect on a major industry—much of it headquartered in New York State—that accounts for more

than $2 billion in sales per year—more than the aggregate receipts from professional sports and the film industry combined.

But what is particularly disturbing about the allegations of corruption in the recording industry, is that the sales of their major money earners, rock and pop music, are geared specifically to a young, predominantly teen-age audience. It is common knowledge that drugs are an integral part of the rock music scene. If it is true that hard drugs have become "the new currency of the record industry," if drugs are in fact used as an inducement to sign on entertainers, one has to ask the extent to which these practices may explain the drug orientation in rock music of which so many have complained.

There is still another aspect of the matter that concerns me. Young Americans may not read the Wall Street Journal or the business pages of the New York Times, but they are the principal readers of such publications as Rolling Stone that cater to their interests in pop and rock music. The feature article in the current issue of Rolling Stone reports in detail on the charges of payola and coverups at CBS. Their impression of business ethics and practices, therefore may be colored to an unusual degree by the reporting of these developments. It is therefore extremely important that future issues of Rolling Stone and other publications such as Newsweek be able to report that this whole matter has been submitted to the broadest, most probing investigation, and those found guilty of breaches of the law appropriately punished.

We must make it clear that we do not maintain a double standard where white-collar crimes are concerned. We must demonstrate that we will pursue and prosecute corruption and fraud in business with the same determination that we pursue crimes committed in other areas of life. I hope we do not have a corporate Watergate on our hands; but if we do it is vitally important that we seek the truth about ethical and legal abuses in the record industry with the same determination that we are pursuing the truth in the Watergate affair.

I am aware that criminal investigations are now underway with respect to charges of wrongdoing at Columbia Records and elsewhere. I do not suggest that less than a thoroughly competent job is being done in their investigation. These charges, however, have given rise to such grave questions as to prevailing business practices in the industry as a whole—questions involving fraud on the consumer, trafficking in drugs, corrupt and unfair business practices, and underworld involvement that I believe the broadest possible inquiry should be launched by appropriate enforcement, legislative and regulatory arms of the Federal Government. To this end I have written the following individuals, requesting that they institute appropriate action: Dean Burch, Chairman of the Federal Communication Commission; Attorney General Elliott Richardson; Clay T. Whitehead, Director of the Office of Telecommunications Policy; and Senator JOHN PASTORE, chairman of the Subcommittee on Communications.

Mr. President, I hope my colleagues will join me in urging that these broad interrogations be carried forward with all dispatch.

Mr. President, I ask unanimous consent that various articles appearing in the New York Times, the Wall Street Journal, and Rolling Stone describing the charges to which I have alluded, which I am sending to the desk, be printed in the RECORD at the conclusion of my remarks.

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

CLIVE DAVIS OUSTED; PAYOLA COVERUP CHARGED

(By Ben Fong-Torres)

NEW YORK.—Clive J. Davis, as president of Columbia Records, was always proud of long-term agreements. Miles Davis and Johnny Cash, Leonard Bernstein and Chicago, Barbra Streisand and the Byrds. He fought, with big money, to keep Laura Nyro at his label, and he refused to believe that Dylan was out of his contract for a year after the fact. He took enormous pleasure in what to him must have been no less than resurrections, born of his own personal patience, of Johnny Winter, Blood Sweat & Tears, Santana, Sly Stone, and Paul Simon and Art Garfunkel.

Davis himself had a long-term agreement with CBS Incorporated: a five year contract stretching to April 14th, 1975. At age 40, he was the commander-in-chief of the largest record company in the world; for his efforts, which kept him at his office on weekends and holidays, he earned $135,000 a year; his contract also provided "incentive" bonuses adding up to $250,000 over three years. And last year, there was "additional compensation" of $74,000 for a total of $359,000. Not bad for a man from the Bronx whose first favorite music came from *Make Believe Ballroom* on his radio; whose primary goal in life, once, was to be a good lawyer. Clive Davis was proud of himself.

Today, the president is in seclusion, excepting meetings with a criminal lawyer; he has been asked to face a grand jury probe into interstate heroin trafficking and possible connections between payola-by-drugs and Columbia Records. Clive Davis has been fired by his company and sued for alleged personal use of company funds; his contract is null and void; he has been depicted by a CBS official as a "culprit" found involved in "hanky-panky"; he has been fingered by a once-loyal executive assistant as the man responsible for authorizing the practice of payola at Columbia Records.

And so payola joins Watergate on the front pages, Columbia has its own potential Watergate, and the record business has the shakes, almost as bad as Alan Freed had them when the first government payola investigation began 14 years ago.

"Hello, I'm Clive Davis, President of Columbia Records." Seven nights in a row, from Sunday, April 29th to the following Saturday, Davis, dressed Palm Springs style in white suit and matching white patent leather shoes, acted as MC for Columbia's "A Week to Remember." The idea was another of Clive's prides, the fact that his was indeed a full-line label, strong in classical, country and jazz music as well as middle-of-the-road pop, hard rock, and, specially since last year's distribution deal with producers Gamble & Huff, Philadelphia's black entrepreneurs, soul music. It was a show of eclecticism, and all for charity, the profits going to the Park Century School in Los Angeles. The company also taped the 21 acts for a film to be shown at their annual sales convention in July.

Davis took a 20-minute ride out to the theater in downtown L.A. every day that week. We would go to the box office and become upset that only five of seven shows sold out completely for such a small (2400-seat) theater. He blamed the flaw on the Ahmanson Theater itself, for not putting advance tickets on sale until opening night. He checked on sales every hour so that he could coordinate promotional activities and advertising. He gave an interview to the L.A. Times the week before, and the story hit the entertainment section's front page on Sunday, just right: CLIVE DAVIS—MIDAS TOUCH ON COLUMBIA LABEL. The story, written by Robert Hilburn, would be hailed by radio tipsheet publisher Kal Rudman as "fantastic" and "breathtaking." Clive must have known, even as he shook hands with each impressive act—he must have known, even while changing outfits between concert and press party, while watching the lines form each day, that he was in trouble.

The first rumors had begun to fly during "A Week to Remember." David Wynshaw, 52, Vice President of Artist Relations at Columbia, had been busted. He'd been locked out of his 12th floor office a couple of weeks ago, and there was talk about prostitution and drugs. The FBI, the rumors said, had invaded CBS' black skyscraper and seized files from Wynshaw's office, and CBS had "cordoned off" the room and fired the 11-year veteran.

Wynshaw, it was said, was close to Clive Davis, and was variously known around the company and in the business as Davis' "royal procurer," or "Clive's pimp," or "the all-around Dr. Feelgood." He had, the hearsay went, been moved over to "Special Projects," and took care of conventions, providing any necessary "entertainment" for Columbia executives and favored guests. He worked with hotels and travel agents, sometimes handling conventions of 1000 people. In that capacity, it was said, he—and probably others at Columbia—was involved in some computer scheme. "All billings," one source said, "come out of a computer. When needs exceeded what was budgeted for his department—you couldn't keypunch drugs and broads—he'd program for reimbursement, and the computer would program an OK." The excesses, the source said, were rumored to have reached $500,000. And the operator, it was said, had to have either received authorization from higher up, or been guilty of outright embezzlement.

Clive Davis was on his way to Japan for a meeting with executives of Columbia's sister label there, CBS/Sony, when the Wynshaw story broke. He canceled the meeting, and Columbia heads already in Asia jetted back to New York.

"The hierarchy at CBS is very concerned about being involved in a scandal," one inside source said at the first outbreak of news, "and already, Clive's action has been very circumscribed. He's already very inhibited." The black skyscraper took the shape of a clam. Everyone at CBS knew something of the story, but few knew the details.

Wynshaw's name had come up in connection with a dealer of hard drugs; he'd been traced by wiretap on the office phone, it was said. There was a receptionist involved, "and she implicated Dave." And more people, the rumors went, had either been busted or would be arrested soon.

Ira Sherman, assistant to Dave Wynshaw, said he wasn't at work the day his boss disappeared. But, he admitted, "agents—either the FBI or our own security guards—have constantly been in there." Sherman described Wynshaw—who was given a new title, "Senior Director of Special Events," just five months ago—as "a real big person, with a big way around him. He was known at all the major clubs; he presented a diamond pinkie-ring image, but he wasn't a seedy character, wheeling and dealing. He was a good person and probably didn't deserve the treatment he got. He would forego

weekends with his family rather than leave something to be done."

Wynshaw, Sherman said, had been eased out of his old Artists Relations post with the growth of rock & roll at Columbia. He had recently been dealing with "MOR" artists and, mostly, special projects. "Conventions, meetings, parties. He worked with Clive on many events. The relationship between Clive and Dave? God knows how close they were."

As for possible involvement in a hard-drug racket, the assistant said the rumors were a "shock. David's stand on dope was, I wouldn't even mention marijuana to him out of respect for him. He perhaps knew a couple of these people by the kind of work he did, but he was one of the straightest people I know."

An early suspicion around CBS was of a cover-up of some unknown scandal. "Possibly somebody did implicate David," said Ira Sherman. "He had a certain amount of power. Maybe the company decided that rather than uncovering anything heavier, they should nip it in the bud."

Columbia Records issued no statement on their dismissal of their 11-year veteran. "He resigned," said Publicity Director Bob Altshuler, six weeks after the fact. "I don't know why; I gather it's because of an investigation going on. He may have been linked to someone under indictment; it might be a guilt-by-association kind of thing." He dismissed all the rumors. "When I came back from Los Angeles," he said, "there were rumors going around New York that there were all kinds of changes. I checked it out, and there was absolutely no truth in it at all." What about the receptionist? He admitted that she was "somehow linked to Dave," but that she was fired "a long time ago." (She had been fired a month before the drug raid in which she and the manager of two Columbia acts were indicted.)

We asked Altshuler, long-known in the business—despite his own vehement denials—as "Clive's PR man," to ask his boss for more information on possibly the most scandalous incident in Columbia Record's long, proud history. He compiled, and reported back in half an hour with certain relief: "I can say to you that there are no drug charges, no narcotics involved, and he is not under indictment. CBS, he said, was checking out a charge of misappropriation of funds. "When the study began in earnest, he decided to resign." (Wynshaw, talking later about the case, gave a different version, basically confirming the rumors. He'd been called out of a restaurant April 9th to face Davis and two company attorneys, who told him about their discovery of some allegedly falsified invoices. He was then asked to leave the president's office, and the next day he was fired and told by Davis not to go to his office.)

Altshuler reiterated: "There is no connection between Columbia and a drug charge or a drug bust. I say that as flat-out as I can say it." Vice President of Marketing Bruce Lundvall corroborated Altshuler: "I haven't the vaguest as to what's going on," he said, "I understand he was in a great disagreement over a personal matter and he's gone." Wynshaw had been reporting to Lundvall for the past year and a half, but, the vice-president said: "I haven't been given much explanation. He had a very high profile in the industry and suddenly he's gone."

Neither Lundvall nor Altshuler chose to reveal, at that time, that another Columbia employee was in trouble. Tony Rubino, Director of Marketing Administration & Budget Control, had been asked by Lundvall to take a leave of absence the day after Wynshaw's dismissal. He was the man who had (incidentally) hired the mysterious receptionist; now, his office was locked, and he would be officially fired in late May, just before Clive Davis. Rubino, Lundvall explained, "was a staff statistical kind of person," a man who handled bills and sent them up for ultimate approval. And, finally, there was Jack Gold, who was replaced as head of West Coast A&R by Davis' order. In his place, Davis appointed Ted Feigin, former co-founder of White Whale Records (the Turtles) and, most recently, personal assistant to Clive Davis. Gold's departure—he would become an independent producer, it was announced—was in no way connected to the growing scandal; the veteran producer had long been plagued with Hodgkin's disease, and the West Coast office had been lagging for over a year, with Davis himself assuming most of the A&R authority by making frequent trips to California.

"That's what's so startling about this whole thing, this arrogance that he had," said one Columbia employee on the West Coast. "Clive maintained the same timetable of his business. The week at the Ahmanson, the restructuring of the West Coast, negotiating with millions of artists. He thought the whole thing would just go away."

Clive Davis spent the week before the Memorial Day weekend conducting business as usual. On Wednesday, May 23rd, he conducted a singles meeting, the weekly round-up of two or three dozen Columbia heads to hear the latest product. As always, Clive played DJ, sitting at the head of the long table, ordering up the tracks from an engineer in an adjacent booth.

Davis saw the singles meeting as a vehicle for getting information out to as many key people as possible at once. The director of promotion would recite a list of recent releases and long lists of radio stations programming each single. Those that were followed by short lists would elicit questions from Davis; suggestions on promotion, advertising tying in concert and TV appearances. Staffers would nod and make notes. Other guests—Columbia artists and producers; newer employees in the lower ranks; newly-appointed higher-ups (like Steve Harris of Artists Development, moving into Dave Wynshaw's old area of responsibility)—could see just how the Music Machine functioned. "It's a good learning process," Davis had said. "It also prevents me from being an inaccessible leader."

On this, the week before his firing, Clive Davis had no perception of karma, no way of knowing when an omen might come up and slap him in the face. But there was one, and it had popped up at a singles meeting in April, in the form of Paul Simon.

Simon, who shares, with Garfunkel, the honor of having the all-time best-selling album in Columbia's history—nine million sales of Bridge over Troubled Water—strode into the conference room in the midst of a meeting. Davis, of course, was pleasantly surprised. Then, an eyewitness said, Simon slammed a book onto the table in front of the president, telling him: "You need to read this book more than anyone I know." Davis glanced at the volume: The Life of Krishna—as Simon spun around. "Wait, stay," urged Davis. Simon continued on through the door. Slap.

Clive Davis must have known. But through the Memorial Day weekend, and upon his return to the CBS building on Tuesday morning, May 29th, he gave no indication that he was worried. To those who saw him that morning, he appeared relaxed from the holiday, and he moved directly into discussions on international operations with its division head, Walter Yetnikov.

At 11:45 AM, Davis got a call. Arthur Taylor, six months into the presidency of CBS Inc., wanted to see him on the 40th floor. Davis strode out of his 11th floor office—modestly furnished; left undone, in fact, because he would soon move into Goddard Lieberson's old suite—made the two elevator trips that it took to get to the upper reaches. Clive Davis marched into Taylor's office and got fired.

It was, as in Wynshaw's case, a short meeting, with the stunned Davis getting a further surprise by the presentation of a civil complaint against him, dated that day and filed with the state supreme court. He was charged, he then read, with three specific instances of alleged misappropriations of company funds adding up to $94,000; the charges included the taking of $6500 in $100 bills from "agents Wynshaw and others" out of a "false invoice" paid by CBS; and a final, general charge covered Davis' almost-seven years as president, claiming he "improperly obtained or received other substantial sums of money in cash and other property from plaintiff for his own personal benefit." The complaint asked for a reply from Davis within 20 days, including an accounting of all allegedly "wrongfully obtained" money, the return of that money, and legal fees.

Clive Davis was stunned yet again when he returned to his office. He never quite got there. While he was upstairs, moving men had been whisked into his office and had begun cramming his personal papers and effects into cardboard boxes, piling them up in the reception area. The area, normally occupied by waiting visitors and two secretaries, was bare except for a growing pile of cardboard boxes. His staff had been suddenly called into another nearby room, so that they would be conveniently out of the way.

There was a joke going around at CBS that, what with the movable, cream-colored metal walls dividing offices, you would know right away if you'd been fired. You'd show up one morning and your office would be missing.

Within another hour, the word was out to all regional branches of Columbia. A meeting of department and division heads took place. The word was that Clive Davis had been "discharged" from his twin presidencies, of the CBS/Records Group and its CBS Records Division, and that he was being sued for improper use of company funds. Further, it was announced that Goddard Lieberson, former head of Columbia Records and a Senior Vice President of CBS, would replace Clive as head of the CBS/Records Group, and that Irwin Segelstein, a CBS–TV programming vice president, would take over as president of the Records Division, meaning the day-to-day leadership of Columbia Records. The announcement mentioned two other firings at Columbia "following investigation of the irregularities relating to Mr. Davis' discharge," but named no names.

And before Clive Davis was back in his apartment, on Central Park West, CBS was ready with copies of the civil suit for the press. In it, the alleged misappropriations were detailed: $53,700 for alterations to the apartment; "at least" $20,000 for a bar mitzvah for Davis' son last October, and $20,000 of reimbursements that CBS claims Davis used to pay for renting a house in Beverly Hills last summer. The company also listed one alleged cash kickback—the 65 one-hundred-dollar bills "handed over to defendant by Wynshaw."

Few in the industry believed it was all so simple. "A company like CBS," said one executive at Warner Brothers, "is idiotic to bust a president of one of the major profit-making divisions for a mere hundred G. They're affecting their stock, and the entire record business." One consistent line of sympathy ran: If Clive was guilty, he was doing nothing that many others in the business didn't do. Davis, people were saying early on, might have cause for a huge damage suit.

"If there was nothing else to this whole thing," a source close to CBS added, "it would be the most outrageous action a company took against a senior executive. I think the FBI went in and told [Chairman of the Board William] Paley or [CBS President] Arthur Taylor that they'd ask for an indictment against Clive, and I think it must be for big stuff. And therefore CBS

wanted to do everything possible to disassociate themselves from him."

So the talk again was of a cover-up. But if the action was harsh, outrageous, or even idiotic, it was not without precedent. In spring of 1965, James Aubrey, then 46, was "dismissed" from the presidency of the CBS-TV network, without comment, by William Paley. Aubrey, like Clive Davis, made his a basically one-man company, earning the nickname, "Smiling Cobra," after he coldly dropped Jack Benny and Gary Moore while taking CBS to the top of the ratings through The Beverly Hillbillies. Later, through a CBS stockholders' lawsuit, Aubrey was accused of accepting kickbacks from a friend, a would-be producer whose efforts—three outright flops—he placed on CBS in prime time. Other, more scandalous affairs linked to his name never got reported in the papers; he stayed low for four years of "independent productions" before emerging as president of MGM.

Clive Davis was a genius in the business of selling records. He influenced the course of the industry in 1967 when he virtually wiped out monaural records by moving to only the stereo price, at that time $4.79. The move caused confusion at first, with its implied obsolescence of mono, but within a year, Columbia was claiming an overall profit on the move. Always claiming records to be the entertainment field's best, most durable buy, Davis then tested "variable pricing," pricing certain albums at a $5.79 list "depending on demand and cost factors." He succeeded in getting gold albums on the first three tries: The Graduate, Bookends, and Cheap Thrills. And Davis took CBS into the retailing business by acquiring two chains: Discount Records and Pacific Stereo.

And while it was Lieberson who first suggested Davis go to the Monterey Pop Festival in '67—Goddard always liked the area and had attended the jazz festivals there, he said—Davis on his own did become an aggressive part of the rock scene, signing as many important artists as he did duds, making much more money than the amounts he would be reported spending. Columbia, number one, was an easy target—"kinda like the Yankees," as West Coast producer Paul Baratta put it—and Clive may have been guilty of arrogance and a Yankee-sized ego. People told stories about how he tried to reorganize a song for Jackson Browne, as a favor; how he refused to join in the celebration of Woodstock by holding his artists from the festival album for business reasons. People laughed when he signed Delaney and Bonnie, only to have them get divorced shortly after the signing.

Still, in his moment of crisis, Clive Davis was the subject of a wave of sympathy. "He had no friends," a Columbia employee said, "but everybody respected him." The day after his deposing, a West Coast record company issued bumper strips—albeit facetiously—reading FREE CLIVE. Kris Kristofferson, in concert, dedicated a tune to Davis, "Me and Bobby McGee," saying, "I never liked him, but I don't believe all this." Most managers of Columbia artists were saying Davis treated them fairly, and well.

Kitter Meade, speaking as corporate information officer, shrugged off the question of harshness in Clive Davis' case: "Counsel weighed the matter and decided this was the most appropriate course." And Goddard Lieberson, the grand old man of Columbia Records, president of the label from '56 to '66 when he stepped upstairs and gave his job to his protege/lawyer, stuck close to the moral root of the issue. "They say, 'what the hell's it all about, it's only $100,000.' That's not the point. If it were $5000 or $150 . . . I mean, you can't be a little bit pregnant. And it's like Watergate: 'Oh, everybody does that.' You can't take that point of view. It's what happened. I mean, there was a falsification of invoices . . . and worse . . . it was between Clive and Arthur Taylor who asked him, I think, at some point to tell him the truth and he found out that it wasn't the truth. It was difficult. I don't think CBS felt that they wanted to do it. But what could you do? Let me remind you that this guy's an officer, a member of the Board of Directors of a publicly held company."

Still other observers thought that Davis had been the loser in the power struggle at CBS, that he had his eyes on the presidency of the corporation. Davis himself always denied any ambitions beyond Columbia, beyond "music." Lieberson dismissed the talk as "kid stuff." 'Cause, you know, I put him in that job—against, by the way, a lot of opposition. But I saw potential in him, because he was very avid, a very hard worker and buried himself in what he was doing. No. How could that be the reason? He's so well compensated for what he did. . . ."

Which was exactly the point of still more speculation, that Davis had aroused the resentment and/or jealousy of those above him. Only five years into his job, the man had become a star in his own business, had become one of the best-paid executives in the corporation, had kept his company number one, moving with the times and making rock & roll the dominant music at the company, forging out 22% of the record market for Columbia, making this rock & roll label the most profitable of CBS several divisions.

Kitter Meade smirked. A chunky, pink man with Hooverish features, he'd rattled off the corporate case against Davis, Wynshaw and Rubino with precision.

He was responding to a final question, about the insistent talk about Columbia giving drugs to its artists. "I mean, with all the money those people were getting, couldn't they just buy their own?"

Meade, a veteran who'd lost a leg in the second war, told how CBS, alerted by an outside source that Wynshaw ought to be investigated, sent its own law department, "and outside counsel," after the executive's records. Wynshaw and accountant Rubino, he said, "were both up to the same hanky-panky," and Davis was "implicated in the investigation of Wynshaw. And by the same token, our investigation of Rubino led to Clive Davis. As far as we know, we got all the culprits."

The listing of $6500, said Meade, was the suit's one "cold specific. We want to get that money back." Such a specific may also open Davis and the others up to further scrutiny from state and federal agents. As Meade put it, "Laws may have been violated. They could look into it because they represent society."

The investigation, Meade concluded, "was very, very thorough and very, very fair. That's one thing we do here at CBS. We take pride is being fast."

And aside from the old guard, aside from William Paley's staunchly Republican leanings and the corporation's militaristic ways, the new guard, CBS President Arthur Taylor, was reported aghast to learn how young musicians and record people had fun. He heard, it is said, about the CBS conventions, about a famous hooker called "The Indian," a famous event called the "circus," and about the prevalence at record conventions of famous drugs and drinks. Taylor, graduate of Brown University in Renaissance history and economic history, straight into CBS from the International Paper Company, was shocked.

Somehow, despite all the rumors about "Dr. Feelgood" and Wynshaw as "house pimp" from the very beginning, CBS had managed to separate the simple money issue from the drug rumors.

No one believed the strategy was sound. Variety, without any verification of Wynshaw's or Davis' involvement in anything close to a drug store ring, tagged its first piece on the president's firing with two paragraphs relating to industry payola rumors last year. Gossip columnist Earl Wilson saw a possible government connection, writing: "President Nixon may find some consolation from one thing in show business. A reported federal look into the music business may produce some competitive headlines involving narcotics, payola, kickbacks and income tax evasions—especially the belief that heroin and cocaine has been used for payola purposes for 'sweeting up' certain top artists or their agents. Tin Pan Alley talks mysteriously of significant 'drug busts' and of a music 'Watergate.' Federal agents checked on rumors of worldwide drug smuggling that ended in midtown New York."

Not quite, but close.

From the first rumors, there was talk of a receptionist named Fran, reportedly constantly doped up at work at CBS and fired. There was talk of a Frank Campana, who'd worked at Columbia and been a friend of a man named "Pat." Later, the name "Falcone," supposedly known in Mafia circles, surfaced. These men reportedly knew Wynshaw, and one of them, it was known, had been busted along with Fran.

Finally, one week after Davis' dismissal, a February 6th bust of a "major international heroin smuggling operation" came back into light. The bust, of a reported $15 million operation centered in Montreal, involved a Francine Berger, 30, listed as the operator of a fried chicken stand. A Federal grand jury in Newark indicted eight persons in the case, busted open, reportedly, "by use of the telephone." One of the others was Pasquale Falcone, 41, also known as "Patsy" and "Pat." He had identified himself as manager of Lynn Anderson and Tommy Cash, two Nashville-based Columbia acts.

He was also described by one source as "a frequent visitor to conventions and the CBS building. On Falcone, whom sources close to the Justice Department described as "a member of the Vito Genovese family," were found papers allegedly implicating Wynshaw.

Falcone is not officially listed as manager of either Lynn Anderson or Tommy Cash. Their manager, according to the best sources, is one Frank Campana, formerly in Artists Relations at Columbia Records.

As for Francine Berger, it was learned that after she'd been fired from Columbia, she began working at the fried chicken stand.

Wynshaw, who immediately began singing to the grand jury and met with the US Attorney's Office Strike Force Against Organized Crime five times, was cleared of any involvement with the heroin ring.

Davis himself immediately hired a lawyer, Vincent Broderick, former New York City Police Commissioner, and stayed away from the press. Wynshaw, meantime, stayed public, showing up, even, at a planning committee meeting for a record business charity event, and somehow letting his testimony to the Strike Force leak. He told the investigators about Columbia spending more than $250,000 last year in payola, money to disk jockeys and music directors at black radio stations in exchange for airplay.

He and, since his first testimony, others have reportedly detailed different forms of payola, many of them well-known in the record and music business.

Columbia, Wynshaw was reported to have said, paid as much as $7000 a week to the publisher of a radio tipsheet, who in turn paid off black radio station personnel.

Another major company allegedly paid $6000 to the same tipsheet publisher—formerly employed by the originator of such publications, Bill Gavin—to mention one new R&B single in his sheet, and $3000 for a mention of a pop single.

Promotion men have allegedly been giving disk jockeys—at Top 40 as well as at FM-rock and black stations—"gifts" of drugs, as soft as marijuana, as hard as cocaine—for years, in some instances replacing the more traditional presents of prostitutes, cash, fur coats and liquor. Promo men have also, in

some markets, allegedly served as market-wise dealers of low-priced drugs.

Especially with black stations, promo men have allegedly provided quantities of free albums for their own resale through their own shops or to middle-men retailers.

New forms of payola also allegedly include airline tickets—provided to DJs to use or sell at will—and company connections with travel agencies that provided a label with "bonus" tickets which executives would use—or sell.

The specific allegations of payola by way of tipsheet would appear to implicate Kal Rudman, who has openly admitted receiving money from record companies. He called them "promotional" and "consultant" fees. He had also been in attendance at a Columbia singles meeting, and had been written up in the New Yorker magazine. Last week, another allegation reported how "a promotion man spent 15 minutes talking on the telephone with the publisher about a new single. The next day, the company got a bill for $150 for the conversation."

Rudman was busy at home in Cherry Hills, New Jersey, from which he puts out both his weekly tipsheet and his "Soundtrack" column for the Hollywood Reporter. He let his wife, Lucy, speak for him, and she denied that Rudman had been contacted by any investigators in relation to the latest payola charges. Rudman himself had told us, in an earlier interview: "You cannot read the sheet and know who's paying me and who's not. I only take money when I know the record is good. If I can't deliver, then my ass is grass. It's consultation at the highest level. My field is music; I'm a music junkie; we all serve the artist."

The charges regarding Columbia and alleged payola with black radio stations are based on Columbia's recent and successful involvement with the Kenny Gamble and Leon Huff production team. Distributing Gamble and Huff's Philadelphia-International label, Columbia scored four gold singles in a year's time, accounting for almost half of Columbia's nine million-sellers last year.

Neither Gamble nor Huff could be reached for comment on the matter. But elsewhere around the industry, spokesmen reflected either studied nonchalance—an aloofness, in fact—or outright fear. Rumors of feds hitting other record companies—were reported and denied; rumors of presidents Mike Curb of MGM and Rocco Laginestra of RCA getting canned for alleged malfeasance, a la Clive Davis, were spread—and denied. At Warner Brothers, workers reported "all-day meetings" to map out strategies for possible federal investigations into account books and promotional practices. The company denied such meetings. Sources at Columbia now in the middle of talk of heavy organized crime involvement in the business, told how fellow workers, and chiefly executives, were "running scared." Those executives looking the most frightened were questioned; they issued denials. And CBS announced its own "thorough investigation" of the latest charges.

The larger story has just begun. But for Clive J. Davis, it could be the James Aubrey story all over again, the rise and the sudden fall.

Goddard Lieberson, only a few months ago, sat up on the 40th floor, away from it all, a Senior Vice President who didn't think he was doing enough, a 61-year-old figure ready to quit. At that time, thinking about the man who'd replaced him, he betrayed just a touch of envy at the power now held by Clive Davis. He nodded when he was told of how Davis was seen by others in the business. "Yeah, egocentric . . . ego trip. It's very corruptive, you know. Ah, power is corruptive."

Kitter Meade leaned back, high up in his office in the upper reaches, looking almost soft for a minute. "The sad thing," he said, "is a man of imminent promise, a good mind . . . he had nowhere to go but up. What in hell motivated him to do this?"

Clive Davis was probably no more "corrupt" than anyone else so suddenly and overwhelmingly empowered. And in a business as competitive as his, where each artist, each piece of product, each chart, each contract, and each competitor was the greatest of challenges, he mixed power and pride in each battle. And he won most of them. For a while there, Columbia was *his* label more than he was *its* president. He once said that he wouldn't handle his job any differently if he owned the company. And owning his own company may yet be Clive Davis' future. He is too strong to be counted out now. On these intermittently warm and rainy days in New York, it's not so difficult to think of silver linings.

Yes, said Nat Weiss, manager of the Mahavishnu Orchestra, "Clive had created a one-man company, with press releases being written about him, and I don't think that was the best situation.

"But listen: We're all saddened when this kind of thing happens to any human being."

[From Newsweek, June 11, 1973]

THE SPECTER OF PAYOLA 1973

It was the biggest shock to hit the multi-billion-dollar record industry since the payola scandals back in the late '50s. Suddenly, last week, CBS fired its Golden Boy, Clive Davis, president of the CBS Records Group and the No. 1 recording executive in the country. CBS also announced it was suing Davis for the return of $94,000 of company funds which he allegedly spent for unauthorized purposes—such as decorating his New York apartment, throwing his son a lavish bar mitzvah and renting a Beverly Hills summer home.

Few inside the record business believed, however, that that was the whole story. There was reason to believe a new payola scandal of national proportions was brewing, and that it might involve payoffs, drugs and money machinations throughout the recording industry.

According to the CBS suit, Davis and his vice president for artist relations, David Wynshaw—along with Columbia Records accountant Anthony Rubino—falsified invoices to pay off carpenters and caterers illegally for Davis. CBS also alleges that Wynshaw, who in his job was responsible for handing out favors and hospitality to Columbia artists, had handed out a favor to Davis as well—in the form of a cash payment of $6,500 in hundred-dollar bills. The suit further states that other "substantial sums of money" are involved. Just how much, CBS isn't saying, but a Columbia spokesman at first asserted and later denied the figure was as high as $800,000.

The 40-year-old Davis was given the authority to spend that kind of money without question because of the brilliant job he had done for CBS. Beginning as deputy counsel for Columbia Records in 1960, Brooklyn-born Davis, who had worked his way through Harvard Law School, was made president of Columbia Records in 1967 and the Records Group division president in 1971. During that time he assembled the most impressive roster of talent of any record company today, spanning rock, country, classical, show tunes and rhythm and blues. He signed such names as Janis Joplin, Santana, Blood Sweat and Tears, and moved rock from 15 per cent of Columbia Records' volume to over 50 per cent. Under his tutelage the CBS Records Group cornered 22 per cent of the record market, grossing $340 million in sales last year. For his efforts Davis was made a director of the corporation, and earned in salary and benefits more than $350,000 in 1972.

Expenses: Columbia's dismissal of Davis was not taken at face value by everyone in the business. Was CBS really prepared, they asked, to fire their top moneymaking executive, a man who had been touted for the CBS presidency itself, because of $94,000 in suspect expenses? Would Davis risk his career for such relatively small potatoes? Why did CBS fire him so precipitously (he was hauled before the directors to be told the news and upon his return to his office all his belongings were rated, ready to be cleared away)? "Davis was too big to fire that quickly for what they said they fired him for," says a longtime record executive. Insiders argued that house rentals and bar mitzvahs are legitimate expenses in an industry where lavish entertaining is an everyday part of doing business. "This happens all the time," says one record-company official, "and most of the time they just say 'give the money back'."

Many music insiders are convinced Davis was the victim of a power struggle. There was speculation that both his success and his methods irritated new CBS president Arthur Taylor. And not every Davis deal was a bonanza—for example, he has been criticized for signing composer-singer Neil Diamond to a five-year, $4 million contract which has yet to pay off. Davis made all decisions about signing artists himself, and some saw this and the personal publicity he received as arrogance. "Clive was sometimes arrogant," says Jack Holzman, president of Elektra Records, "but I'm not sure that wasn't the best way to be in dealing with a major monolith like CBS."

Neither CBS nor anyone else was accusing Davis or Wynshaw of involvement with payola. But the industry buzzed last week with new talk about that old bugaboo. "Hospitality in the rock world dictates you provide dope, and the dope of the day recently has been cocaine," says rock writer Albert Goldman. "Most of these people can't get it together for a recording session or a party without it." There have been rumors as well that drugs, specifically cocaine, have been used by some companies to pay off disk jockeys for playing their records.

Goddard Lieberson, the CBS corporate vice president who was moved in to replace Davis as president of the CBS Records Group, instantly made a strong statement on the subject of drugs. "I emphatically deny any drug involvement," he said. Many record-business people were skeptical of Columbia's claim to be clean. "In the advertising world, it's Martinis," said one record producer. "In the music world, it's cocaine."

Indeed, clean is not necessarily spotless. Newsweek has learned that both Davis and Wynshaw have been called to testify before a grand jury that is presently investigating whether there is widespread payola involving cash and drugs in the recording industry. The probe has already revealed that substantial amounts of cash are passed, on a weekly basis, to outside tipsters who in turn pay off disk jockeys. The results of the probe could shake the recording industry as much as the last payola scandals did in the '50s.

"Ten years ago," said one male superstar, "the disk jockeys were into chicks and free vacations. Now it's grass, hash and coke." Payola takes other forms as well, according to Newsweek sources. Lavish press parties, hookers and booze are still a part of it, so are kickbacks from travel agencies and hotels where record-industry conventions are held. Thousands of free record albums may go to some disk jockeys who own record shops on the side—a practice particularly prevalent at black rhythm-and-blues stations where salaries are low. These Deejays in turn plug the albums on the air. In San Francisco, there is a reputed "suit shop" where disk jockeys order as many as five suits at a time and record companies will pick up the tab. In more subtle forms of payola, say Newsweek's sources, some record companies are now even buying "air time" at big record stores, pay-

ing to have their albums played while customers browse through the racks.

Ironically, the firings of both Davis and Wynshaw were triggered by an accident. As director of artist relations, Wynshaw dealt with virtually all of Columbia's artists and their managers. One of these was a man named Pasqual Falcone, who managed, among others, country singers Lynn Anderson and Tommy Cash, both Columbia recording artists. Last February Falcone was indicted with seven others by a Federal grand jury on 26 counts of "violation of Federal narcotics laws and conspiring to import and distribute heroin in the U.S."

In the course of its investigation of Falcone, the FBI ran across Wynshaw's name. (Wynshaw subsequently testified before the grand jury investigating Falcone and was cleared of any illegal involvement with him.) When the FBI passed Wynshaw's name to CBS higher-ups, CBS immediately fired Wynshaw and padlocked his office, and while CBS audited Wynshaw's books, the FBI scoured the files. CBS said its investigation turned up false invoices and other papers which led to the firing of Davis.

Renovations: Neither Davis nor Wynshaw was available for comment. Newsweek learned that Davis had been scheduled to testify last week before the grand jury, but that a postponement of his appearance had been obtained by his attorney, former New York City Police Commissioner Vincent L. Broderick. It seemed unlikely that the grand jury wanted to discuss bar mitzvahs or apartment renovations with Davis. All of which led to speculation that other things were brewing. "CBS doesn't sue a Clive Davis just for $90,000," said an official at Atlantic Records. "They're trying to get out of something fast."

When rumors arose last year that drugs were being used as payola, Stanley Gortikov, president of the Record Industry Association of America, issued a stern warning. "These reports, if true," he said, "mirror a reprehensible condition for all of us both commercially and morally." Some record executives think the business is due for a housecleaning. "I think it's time it happened," says an executive at A and M Records. "The record industry is in the process of becoming as excessive and fat as the picture business was in the '50s. If this thing shakes up the industry and changes it for the better, then that's terrific." A music-business attorney summed it up another way: "I think you're going to see an awful lot of record-promotion guys walking around with coats, ties and briefcases from now on."

[From Newsweek, June 18, 1973]

THE MUSIC GOES ROUND

The multibillion-dollar recording industry has braced itself for a major payola investigation by the Federal government in the wage of CBS's abrupt firing of Columbia Records Group president Clive Davis for alleged misuse of company funds. Newsweek revealed last week that Davis and two other Columbia Record employees had been called to testify before a Newark Federal grand jury about cash payoffs, money machinations and record business. The investigation is certain to be widened to include virtually the whole industry. "Subpoenas will be going out like a blizzard for the next few months," says a source close to the investigation. "It's going to result in a mess of indictments."

The investigation is being handled by the U.S. attorney's office in Newark through the Federal Strike Force Against Organized Crime. Although John Goldstein of the Newark U.S. attorney's office refused to comment on the inquiry, Richard Crane, attorney in charge of the Los Angeles Strike Force, admitted that "it's very possible we'll be in on this."

Predictably, record companies are panicky. Warner Brothers Records in Los Angeles called in its promotion people from around the country for a two-day meeting last week that included talk about new records and old expense accounts. Atlantic Records in New York sent out a memo instructing employees not to talk to the press. At Capitol Records in Los Angeles verbal orders went out to "check expense accounts and clean them up." Employees at two other record companies were convinced their phones were being monitored. "Right now," says one record-company official, "everyone who has ever had a dope budget for artists and deejays is desperately trying to juggle the books." But drugs, though prevalent in an industry that considers them a part of its life-style, have not yet figured greatly in the government's payola investigation.

Since last April, David Wynshaw and Anthony Rubino, former officials at Columbia Records discharged along with Davis, have been meeting weekly with members of the Newark Strike Force, including representatives of the Post Office and the Internal Revenue Service. Sources close to the investigations say that Wynshaw and Rubino have made a number of allegations: that Columbia Records paid an outside tipster and independent record producers as much as $6,000 a week to funnel money to disc jockeys in the largely black rhythm-and-blues market; that a corporate slush fund for Columbia executives was largely misappropriated into the executives' pockets; that bills for the construction of Columbia-owned record-discount stores were deliberately inflated to cover the cost of apartment renovations and home building for a number of high Columbia and CBS officials. The misuse of funds, say the sources, might run to several million dollars a year.

CBS maintains it has no evidence of wrongdoing other than in connection with the firing of Davis, Wynshaw and Rubino. But just to make sure, CBS last week launched its own investigation "to ascertain whether there is any factual basis for the allegations which have been reported."

Meanwhile, the record industry was buzzing with rumors that the outside tipster named by Wynshaw and Rubino could be Kal Rudman, a highly influential tip-sheet publisher who runs his own "consulting firm" to promote hit records. Rudman is retained by most of the record companies to promote their singles, but won't reveal how much he's paid for his services and denies any involvement with payola. "I swear on the body of my only son I am clean," says the flamboyant Rudman. But sources insist that at least one tipster is a key figure in a chain through which money is passed from record companies to disc jockeys via independent promotion men.

GRAMS

Insiders also claim investigators will be taking a look at the complex pricing structures of record companies—selling albums to favored distributors at lower prices (a possible violation of the Robinson-Patman Act), as well as the use of drugs in the industry. Newsweek learned that in Los Angeles, for example, one record company promotion man spends $2,400 a week to buy two ounces of cocaine that he cuts into grams and sells to other record-company promotion people. Deals for the drugs are made at a record-industry hangout, a popular Italian restaurant. The coke buyers then turn in expense accounts for the purchase in the form of receipts from an instrument-rental store. Two grams of cocaine translate, for expense account purposes, to "one bass guitar rental, $100."

On the subject of payola, reactions last week from disc jockeys were mixed. Many insisted that payola had died with the 1950's scandals. "I can't get a record on the playlist," says Chicago deejay Larry Lujack. "Eight people in the music department decide that." But a Los Angeles disc jockey insisted that where there's a need there's a way, and "I'd have to say there's almost a need for payola." Another L.A. deejay would not admit there was payola, but added: "I'm trying to sound as naïve as possible. I've got to." In any case, a hot spotlight has been turned on. "This thing is like Watergate," says an investigator in Washington. "Every time we look a little further, we find something else."

[From the New York Times, June 7, 1973]

ORGANIZED CRIME LINKED TO PAYOLA

(By Grace Lichtenstein)

Federal investigators in Newark believe that their inquiry on payola at Columbia Records has uncovered a "clear involvement" of organized crime in some segments of the record industry, according to sources close to the case.

The investigation began when the indictment of a talent manager on heroin-trafficking charges last February led Federal agents to an official of Columbia who has since been dismissed. It has heard testimony that some payoffs from record companies took the form of shipments of large quantities of free records to black radio stations, whose employees then sold them to record stores, the sources said.

The investigators have also been told that record promotion men routinely concealed payoffs in cash—and in some cases, drugs—by turning in falsified expense accounts, the sources said.

According to the sources, the investigation is being coordinated through the office of Herbet J. Stern, the United States attorney for New Jersey, with the assistance of the Federal Strike Force Against Organized Crime in Newark. Mr. Stern's office declined to comment on the case.

HOGAN ENTERS CASE

Meanwhile, it was also learned that the office of Frank S. Hogan, the Manhattan District Attorney, was also looking into the case and was "in touch" with Mr. Stern's office.

As news about the investigations spread yesterday, the Columbia Broadcasting System issued a statement saying it had begun its own "thorough investigation."

"We have no evidence whatever of wrongdoing other than in connection with the discharge of three Columbia Records employes, announced last week for improper use of company funds," the statement said.

"However," it continued, "in light of current rumors concerning other irregularities, C.B.S. has initiated a thorough investigation which is being conducted by the law firm of Cravath, Swaine & Moore to ascertain whether there is any factual basis for the allegations . . . If any irregularities are indeed discovered, action will be taken immediately and the facts reported to the proper authorities."

Federal investigators were said to be looking into the activities of some talent agents and record distribution companies as well as record executives.

Last February, a man identified as the silent partner in the management of some recording artists, Pasquale Falcone, was indicted in Newark with seven other persons, including a former Columbia Records receptionist, on conspiracy and smuggling charges allegedly connected with a multimillion dollar international heroin ring.

A reference in Mr. Falcone's papers led Federal agents in Newark to David Wynshaw, the director for artist relations at Columbia. Mr. Wynshaw was dismissed in April by Columbia and sources close to the case say he has been telling the Justice Department what he knows about payola ever since.

An internal investigation by Columbia Records, led to the dismissal last week of Mr. Davis. The company said it had found

evidence that he had used $94,000 in company funds to refurbish a house and throw a bar mitzvah. A civil suit by Columbia against Mr. Davis named Mr. Wynshaw as an accomplice.

Just how some Columbia Records employes might have arranged some payola was detailed yesterday by a former aide to Mr. Wynshaw, who asked not to be identified for fear of reprisals.

POP MUSIC INQUIRY BROADENED BY UNITED STATES

(By Grace Lichtenstein)

The Justice Department has intensified its investigation of Columbia Records and its subsidiaries and is now poring over "carloads" of expense vouchers, personnel records, financial and legal documents of the record label and its subsidiaries, sources close to the case said yesterday.

The record company was said to be at the center of the Federal investigation of alleged payola and organized-crime involvement in pop music, which came to light after the Columbia Broadcasting System dismissed Clive J. Davis as president of CBS Records Group on May 29 and sued him for alleged misuse of company funds.

Sources close to the company said yesterday that C.B.S. was also widening its own internal investigation, with the law firm of Cravath, Swain & Moore, the accounting firm of Lybrand, Ross Brothers & Montgomery and private detectives all reviewing corporate documents and interviewing company employes.

While cooperating fully with multiple investigations by the Justice Department, the Federal Communications Commission and the Internal Revenue Service, the sources said, C.B.S. is also said to be making plans to file additional suits against two other dismissed executives, David Wynshaw and Anthony Rubino.

In addition, according to the sources, the company is pushing for criminal prosecution of the dismissal of officials on charges of embezzlement.

In its original suit against Mr. Davis, the company charged that the dismissed president had "improperly obtained or received other substantial sums" of company money in addition to the $94,000 specifically mentioned. Corporate spokesmen have repeatedly called attention to those words when questioned about the seriousness of the allegations against Mr. Davis.

Neither Mr. Davis, Mr. Wynshaw nor Mr. Rubino could be reached yesterday for comment. A lawyer for Mr. Wynshaw said his client had not been sued as of yesterday.

RUMORS CALLED UNTRUE

Top executives of C.B.S. are known to be indignant over rumors that the company tried to cover up a major drug scandal by dismissing Mr. Davis. Instead, the sources said, their internal investigation is seeking to determine whether anyone in their employ might have worked with Pasquale Falcone, an indicted heroin trafficker, to divert funds from C.B.S. through the use of invoices submitted by "dummy" travel companies and other service firms.

Employes of Columbia Records have told friends that no expense account vouchers have been paid since the internal investigation began two weeks ago. Executives have been informed that the company will not hesitate to break off business relationships with any agents, managers or promoters linked to questionable enterprises.

In a memorandum dated June 11, Goddard Lieberson, who replaced Mr. Davis as president of the CBS Records Group, assured employes: 'This is not a witch hunt. It is for the protection and reputation of all of us."

DISMAY OVER DRUGS

The memo also told employes that the company was doing everything it could to root out any unethical or illegal practices its investigators might find. Although the note said nothing about drugs, corporate officials were said to be dismayed at finding out the extent of the use of drugs by some pop music performers and their associates.

It was a drug investigation that originally led the Justice Department to allegations of payola in the record industry last spring.

Mr. Falcone, a talent manager known as a frequent visitor to the C.B.S. building on 52d Street and a companion of Mr. Wynshaw's, was indicted in Newark in February on charges of having played the central role in a conspiracy to import at least five kilograms of heroin from Canada.

Mr. Wynshaw was discharged as Columbia's director of artist relations in April. When questioned by Federal investigators about his involvement with Mr. Falcone, Mr. Wynshaw began telling what he knew about alleged payola by Columbia, which he said amounted to $250,000 a year.

C.B.S. has reportedly denied allegations that it paid off some black disc jockeys and others to insure maximum radio air play of some of its records by black artists.

Meanwhile, sources within C.B.S. reported that a C.B.S. network television news team had been assigned yesterday to begin an investigative report on payola.

CBS AND THE DRUGOLA SCANDAL

(By William Safire)

Has the agony of Watergate taught us nothing about how to handle scandal?

The Columbia Broadcasting System, a corporation active in many businesses, earned $82 million last year. Its fastest-growing profit center, which accounts for nearly 30 percent of its earnings, is the division that produces CBS records and tapes.

CBS is by far the largest producer of records and tapes in the youth-dominated music world, an industry that takes in revenues of $2 billion a year—more than all professional sports and the entire film industry combined.

Grand juries and district attorneys are now trying to find out if the music industry is shot through with a higher dollar volume of venality and corruption than has ever been seen in American business history.

The corporate corruption being investigated includes the old-fashioned payola—bribery to disc jockeys by record companies—with a new, ethnic wrinkle: one CBS records executive has reportedly told a grand jury that $250,000 in cash has been slipped to disc jockeys who direct their programming to black audiences.

But the return of payola, even on an unprecedented scale, is not the whole story; Federal investigators are looking into the use of hard drugs—cocaine and heroin—by the businessmen of music to bribe their distribution outlets, or to entertain their entertainers.

The Federal Bureau of Narcotics and Dangerous Drugs unearthed the first lead while investigating Pasquale Falcone, a reputed New Jersey mobster, indicted on drug charges Feb. 7. He turned out to be sharing an office with a former promotion man at Columbia Records, whose papers led to David Wynshaw, until recently director of artist relations at CBS Records Groups.

Since that time, at least three official investigations have been launched into the use of cocaine and other drugs as a new form of payola in the music business, along with Mafia infiltration of the music industry's distribution system.

Beginning what may be the second most massive cover-up of the last 12 months, CBS fired its records division president, Clive Davis, charging him in a curious lawsuit with the music world's equivalent of spitting on the sidewalk; bilking the company of $94,000 in phony expenses.

The cancer in the music business is not in padded expense accounts, and the panic-stricken men who head CBS today know it; the cancer is what killed singers Janis Joplin and Jim Hendrix—the new currency of the record industry, hard drugs.

What action has CBS taken so far? To build a defense against stcokholder lawsuits, it has fired and sued Davis; to give the appearance of self-investigation, it has asked its regular law firm—Cravath, Swaine & Moore—to poke around, but the presiding partner of the law firm is Rosewell Gilpatric, who also happens to be one of the best and the brightest members of the board of directors of CBS.

The men at Black Rock (as the dark granite structure that houses CBS headquarters is affectionately called) could not be more dunderheaded. Instead of building legal barricades and bringing in "old faces" to run CBS Records, CBS chairman and chief executive officer William Paley should turn to the men at CBS best equipped to ferret out facts and expose scandal.

I'd like to hear Dan Rather cross-examine an official of the Bureau of Narcotics and Dangerous Drugs about what is known so far, and to watch Dan Schorr on the steps of the courthouse in Newark reporting the latest leaks from the grand jury room on the penetration of the record industry by Mafia drug peddlers.

A great many Americans would gain confidence in our system if they were to hear Walter Cronkite narrate a hard-hitting documentary—"the selling of rock music"—which would pull no punches about the involvement of smoothfaced, Madison Avenue executives in the illegal passage of cash.

COLUMBIA PAYOLA PUT AT $250,000

(By Grace Lichtenstein)

The recently dismissed director for artist relations of Columbia Records has told investigators for the Federal Strike Force Against Organized Crime in Newark that Columbia spent more than $250,000 a year on payola to black radio stations, a source close to the investigation said yesterday.

The former official, David Wynshaw, was dismissed April 10. His ouster has been closely linked to the furor that has wracked the industry since the dismissal last week of Clive J. Davis as president of Columbia. Mr. Davis was charged with illegally spending almost $94,000 in corporate funds, most of which was said to have been used for improvements on his apartment here.

In a civil suit filed against Mr. Davis, the Columbia Broadcasting System charged that Mr. Wynshaw was a accomplice of Mr. Davis in the misuse of thousands of dollars in Columbia's funds. Since his ouster, according to the sources, Mr. Wynshaw has been telling Federal investigators everything he knows about payola—the term used for payoffs to radio station officials made in return for broadcasting records.

His story implicates some of the most important names in the industry, including a publisher of a record tip sheet, several black record producers and several Columbia promotion men, all of whom allegedly were the conduits for the payoffs to black disk jockeys and station officials.

CBS DENIES KNOWLEDGE

A spokesman for the Columbia Broadcasting System, told of Mr. Wynshaw's allegations, said: "We don't know anything about it and don't think it's true. We have no knowledge of any such activities and no evidence that they transpired."

A Columbia Records spokesman added that Mr. Wynshaw's job had nothing to do with

promotion activities at the company, "so he is not a knowledgeable witness."

Officials of the Federal Strike Force, which reportedly is interested in the payola allegations for possible violations of tax and mail fraud statutes, declined to comment on the investigation.

The sources said Mr. Wynshaw has told of a budget of at least $250,000 a year concealed within Columbia's promotion budget for payola to push records by its recently assembled group of black artists.

Mr. Wynshaw said, according to those sources, that weekly checks for as much as $7,000 had been turned over to a tip-sheet publisher, whose newsletter is supposed to keep industry subscribers informed on each week's "hot" records. The tip-sheet publisher then doled out payoffs to black radio station personnel in major cities, Mr. Wynshaw was reported to have said.

DOUBT IS VOICED

Other payoffs were made through promotion men, whose job it is to plug records at radio stations, and through record producers, Mr. Wynshaw was quoted as saying.

Several black disk jockeys interviewed yesterday expressed considerable doubt about the accuracy of Mr. Wynshaw's allegations.

The disk jockeys, who asked to remain anonymous, said they had found it hard to believe that payola to their colleagues was still possible because of the changes in radio station operations that had been affected after the payola scandals of the late 1950's.

According to the disk jockeys, they do not make up their own playlists and thus do not control what is heard on the air. Furthermore, they added, station managers keep a close watch on their activities.

Rumors about a possible payola-and-drug scandal have been brewing in the record industry ever since Mr. Davis, one of the most powerful men in the business, was dismissed.

However, an associate of Mr. Wynshaw said yesterday that although Mr. Wynshaw's name had originally been brought to the attention of Federal authorities when they were investigating Pasquale Falcone, an industry manager indicted in February on heroin trafficking charges, Mr. Wynshaw himself had no connection with drugs or the use of them as a form of payola.

Nevertheless, it is known that just prior to his dismissal from Columbia, Mr. Wynshaw appeared before a Federal grand jury in Newark investigating drug trafficking, Mr. Davis was said to have been scheduled to appear last week before his appearance was adjourned.

Mr. Wynshaw was quoted as saying yesterday that the payola had begun at Columbia about two years ago, just about the time the company began to become more deeply involved in the "custom label," or black music, market.

COLUMBIA ACQUISITIONS

In February, 1971, Columbia announced a deal to do the distribution for Philadelphia International Records, an outfit run by Leon Huff and Kenny Gamble, two of the country's leading black producers. Columbia also acquired distribution of Stax Records, a Memphis-based company considered among the most important soul and gospel labels.

While the record industry has not been shaken by a payola scandal since the late nineteen fifties', the lavish spending of music companies on promotional activities has been no secret for years, especially in the pop and rock field.

Companies routinely spend thousands of dollars on press parties for rock groups. Thousands of promotional copies of new albums are mailed free to disk jockeys, critics, newspaper and magazine reporters and record industry colleagues. It is well known and accepted that the recipients often sell the albums they don't keep to record stores.

MOB-LINKED CONDUITS GET SUBPENAS IN PAYOLA CASE

(By Grace Lichtenstein)

A Federal grand jury in Newark has subpoenaed officers of "nonexistent" trucking companies, limousine services, airline ticket agencies and other concerns that allegedly were links for payoffs from record companies to Mafia figures, sources close to the case said yesterday.

The grand jury, which is investigating payola and organized crime in the record business, believes the fictitious companies, controlled by mob figures, may have submitted false invoices, that the record companies then wrote off as legitimate expenses, the sources said.

The grand jury was supposed to hear testimony yesterday from Clive J. Davis, the deposed president of Columbia Records. But it was understood that Mr. Davis, who showed up at the United States Court House in Newark just as the jurors were taking their lunch break, did not make an appearance. Instead, he met informally with Federal investigators.

U.S. OFFICIALS SILENT

Both Jonathan Goldstein, assistant United States attorney for the New Jersey region, and Liam Coonan, assistant attorney in charge of the Federal Strike Force Against Organized Crime refused to discuss any aspects of the case.

However, from other sources it was learned that Federal authorities were looking into organized crime infiltration of the talent-agent business. Pasquale Falcone, a talent agent who was indicted in February in Newark on heroin trafficking charges, was described yesterday by sources close to the Justice Department as a member of the Mafia family of the late Vito Genovese.

It was Mr. Falcone's indictment that led Federal investigators to David Wynshaw, an official of Columbia Records who began talking about corruption in the record business after being dismissed by Columbia in April.

Meanwhile, a picture of a variety of current payola techniques—involving airline tickets, secret royalty percentages, payoffs to a tip sheet and the purchase of advertising space in trade publications—emerged yesterday in interviews with sources within the industry.

One major way of "breaking," or getting heavy radio exposure, for single 45 rpm records, according to the sources, was to pay off a publisher of an industry tip sheet. In return, the publisher would give favorable mention to the record in the tip sheet, which is used by some radio stations as a guide to what records to add to their regular playing list.

In recent months, one source said, a major record company paid the tip sheet a flat $6,000 to mention one new rhythm and blues single and $3,000 to mention a new middle-of-the road pop single.

In another case, a company promotion man spent 15 minutes talking on the telephone to the publisher about a new jingle. The next day, the company got a bill for $150 for the conversation, the sources said.

One well-known form of payola, according to the sources is expensive airline tickets that company promotion can buy with company funds and put on their expense accounts. Instead of using them, the sources said, they give the tickets to disk jockeys, who cash them in.

The sources added that a variation on the airline ticket theme was for some managers of artists, as well as promotion men, to submit bills to record companies from limousine rental companies, florists, sound engineers, advertising and promotion firms that exist only on paper. The dummy companies have performed no actual services and are in fact conduits for payoffs to managers, agents and others.

ARTISTS MAKE PAYOFFS

The sources also told of how some high record company executives exacted secret personal payoffs from artists as the price for signing those artists to contracts on their labels.

Pop-music performers often write their own songs, and thus receive performance royalties for each air play of those songs. A performer either signs a contract with a large publishing house, which takes half of those performance royalties, or the artist sets up his own publishing company and collects the entire royalties. With a hit single record or album, performance royalties can amount to substantial sums.

The sources said some record company executives had set up their own publishing companies through intermediaries. They then forced artists to cut their publishing company in on all royalties.

On just one hit single, followed by an album, an executive who secretly owns 10 percent of such royalties can make up to $10,000, according to the sources.

The source also reported that last month an executive of a leading music trade publication told some record company officials at a formal meeting that the amount of advertising space the company bought in the publication would play a role in how high the company's records climbed on the publication's best-seller charts.

DISK JOCKEYS INVOLVED

Payola to some disk jockeys often involved record stores as well, the sources said.

They explained that promotion men would give a disk jockey, say, 1,000 free records in return for a promise to broadcast certain new singles. The disk jockey in turn would sell the albums to a record store for $2 each, giving him a $2,000 payoff.

The store would then tell its record distributor it had 1,000 surplus records, which it would then exchange for better-selling records he could sell at the regular retail price of $4.95 or $5.95.

The practice was said to be in force mainly among disk jockeys for radio stations whose music is aimed at the black community. Most of those stations are white-owned. Their disk jockeys, most of whom are black, traditionally are paid far less than their white counterparts at rock, "Top 40" and middle-of-the road music stations.

Several black disk jockeys who were interviewed expressed doubt about the allegations of widespread payola.

[From the Wall Street Journal, June 19, 1973]

OILING THE WHEELS—IS IT JUST BUSINESS AS USUAL IN RECORD INDUSTRY, OR DO NEW PROBES REVEAL CRIME AT HIGH LEVELS?

(By Jonathan Kwitny)

By any gauge of ethical punctiliousness, the music-recording industry probably never could measure up to, say the Boy Scouts of America or the Presbyterian Church. But in recent weeks, oft-told tales of manipulation and payola have taken more sinister turns. Rumors and vague charges of mob infiltration, payoffs in sex and drugs and outright fraud have shaken the industry's executive ranks.

The fuss started quite by accident. The Federal Bureau of Narcotics and Dangerous Drugs was tapping the telephone of a reputed New Jersey mobster named Pasquale (Patsy) Falcone last winter, gathering evidence for a later indictment on drug charges. Mr. Falcone, it turned out, shared an office, a secretary and some talent-management work with Frank Campana, who until 18 months ago was manager of artist relations at the Columbia Records unit of the Columbia Broadcasting System. Among the Columbia recording artists managed from the Campana-Falcone office were Tommy Cash (brother of Johnny Cash), country-

and-western singer Lynn Anderson and O.C. Smith ("God didn't make little green apples . . ."), though at least some of the entertainers who have done business with Mr. Campana say they were unaware of Mr. Falcone's connection with the office.

The Feds then found, among Mr. Falcone's papers, the name of David Wynshaw, Columbia's director of artist relations and a close personal aide of Columbia Records president Clive Davis. Subsequently, Mr. Wynshaw and Mr. Davis were fired—the latter, allegedly, for running up big personal expenses and then arranging for Columbia to pay the bills. But few in the industry are convinced that that was the major reason the ax fell on Mr. Davis, who earned salary and benefits worth more than $350,000 last year. Mr. Davis appears to have stretched his expense account little further than some other industry executives, and even his son's lavish bar mitzvah, which he charged to Columbia, appears to have been used for business entertaining.

CASH AND TENDER LOVING CARE

More likely, industry sources say, Columbia fired and sued Mr. Davis to detach itself from current and coming federal grand-jury investigations into the use of drugs and payola to promote business in the record industry—though no one has accused Mr. Davis of any wrongdoing.

What the federal investigators are hearing are new variations on an old theme in the industry, payoffs to people who can influence record sales. Success in the $2 billion-a-year record business is partly a matter of creating superstars out of a few unknowns through shrewd marketing: partly a matter of convincing recognized performers, and their managers and agents, that they ought to cut records with your label rather than some other company's and partly in getting your records played.

Money and promotional clout aren't the only important factors in some of this. Compatability between performers and recording executives is important, too. Sometimes, the kind of musicians who have dominated pop music recently prefer marijuana and cocaine at their parties instead of Scotch and bourbon.

Hardly anyone in the record or radio business is surprised by disclosures thus far. "There ain't no scandal," says Norman Rubin, national promotion manager at United Artists. "It (payola) has been going on as long as there's been a (record) industry, and it's no different from any other industry." Jerry Boulding, a program consultant to black-oriented stations in Washington, Chicago, and Milwaukee, freely admits that program directors and disc jockeys at many stations take payola to put certain records on the air.

"FIVE OR SIX TIMES A YEAR"

He does, however, scoff at recent reports that Columbia Records earmarked $250,000 a year for payoffs to black radio-station employees. "It's a maximum of $50,000 a year for the Columbia group that gets into the hands of blacks," he insists. "And all the rest of the companies together (pay) maybe another $50,000." Bribing a poorly paid disc jockey isn't so expensive, Mr. Boulding says. "A thousand dollars will get you (your record played on some shows in) Chicago. Three hundred dollars will get you Cleveland." But, he says, "not every station will take it." Moreover, he says, "It only happens five or six times a year (per station). When you have a hit, you don't have to pay anybody."

"I've seen stuff pass before my eyes—cocaine is one thing," says Chris Van Ness, a rock music critic for the "underground" paper the Los Angeles Free Press. Explaining how promoters from major record companies bribe radio personnel, he adds, "There are also parties with women. Money. Clothes. I would say drugs are 80% of it. I think it has been there ever since the record industry's been there."

Mr. Wynshaw's job at Columbia, according to industry sources, was to help keep influential persons happy—among them artists, managers, agents and radio men. Just how he did this is the subject of gossip, and Mr. Wynshaw generally appears to have kept his trade secrets to himself. "Wynshaw was pretty much a loner," says a colleague at Columbia. "He worked in his office, the door closed, often locked. He carried a gun all the time. He was considered Clive's man. I don't remember him interacting with other people."

Mr. Wynshaw declines to comment on the investigation or on what people are saying about him, but his lawyer confirms that the former Columbia executive carried a gun because he carried large amounts of cash. The lawyer, however, stoutly denies that Mr. Wynshaw was a loner at CBS. "He was one of the most popular guys over there," the lawyer says. "It was partly because of his very gregarious personality, but partly because of the largesse he had to pass around. If you wanted to go to the Copa and get a front table, he was the guy who could get it for you. If you wanted to go to the Giant football game and it was all sold out, he was the guy who could get you tickets."

"THE MORTGAGE MADE ME DO IT"

Though Mr. Wynshaw won't discuss the current investigation with reporters, he is understood to have talked to federal attorneys. Besides alleging the $250,000 payola budget at Columbia, Mr. Wynshaw is understood to have said that Columbia was paying $7,000 a week to Kal Rudman, publisher of a weekly "tipsheet" that advises radio men of what songs are popular around the country. Mr. Rudman allegedly relayed the money to radio-station staffers in return for their playing Columbia records on the air. Mr. Rudman has been subpoenaed to appear before a federal grand jury in Newark, N.J.

In a story in this newspaper two years ago, Mr. Rudman said that he took large "promotional fees" from many record companies whose products he plugs in his tipsheet. Radio executives knew this, but said they relied on his information anyway because the records he touted usually became hits. Last week, Mr. Rudman's public-relations man said that Mr. Rudman had received $7,000 payments from Columbia, though less often than once a week. Mr. Rudman, however, says he didn't relay any money to radio people, and his PR man says much of the money went to pay a network of six to 10 promotion men who occasionally work for Mr. Rudman, visiting radio stations to plug records.

Other friends of Mr. Rudman also back up his denial that he paid radio men. "I'm sure that if Kal gets any money he doesn't hand it out to anybody else," Mr. Boulding says. Another source indicates that record companies don't necessarily need intermediaries to distribute payola. John (Jack) Gibson, a former disc jockey on black stations who now lives in the Orlando, Fla., area, says, "I was one of the biggest payola operators in the country. I took plenty of bread from about 10 different record companies. I played their records as long as they kept sending me money. I did it because I had to raise a family and pay a mortgage on a salary of $75 a week." Mr. Gibson got out of disc jockey work about 10 years ago and has been working for record companies most of the time since then.

Black-oriented stations, with generally smaller budgets, are easier targets for payola; after a scandal in the late 1950s, many stations deprived disc jockeys of the power to choose the records they played on the air and appointed a nonbroadcasting music director, answerable to a program director, to compile a weekly "paylist" of records. But the black-oriented stations often don't have off-the-air music directors.

As straight cash payoffs have become less fruitful, the record industry has tried other ways to push records. Capitol Records, for example, once sent free copies of a record called "Resurrection Shuffle," by Ashton Gardner and Dyke, to certain stores whose sales influence the playlists of key radio stations. These stations, in turn, report their decisions to tip sheet publishers and thus influence playlists and record sales all over the country. The Capitol plan was thwarted when one tipsheet publisher, Bill Gavin of San Francisco, protested it in his publication. "Gavin is an incredibly honest man," a program director in Pittsburgh remarked at the time. "I wonder what he's doing in this business."

Frankie Crocker, program director and disc jockey for New York's black-oriented WBLS recently got his first two movie parts after five years of acting study. The films are made by Warner Brothers and United Artists, both of which also make records that Mr. Crocker plays on the air. But he says that he got the roles "on my own, because I'm a good actor," and that he never discussed the movie job with Warner or United Artists record executives.

As for mob infiltration in the record industry, some operations appear to have been Mafia-tinged for years. For example, Mafiosa Thomas (Tommy Ryan) Eboli, gunned down on a Brooklyn street last July, was associated with a firm called Promo Record Distributors. That firm is owned by Morris Levy, president of Roulette Records in whose corporate headquarters Mr. Eboli was seen from time to time. Promo distributes records for Roulette and other companies.

Fear of new disclosures weighs heavily on record executives, and some of them are keeping a low profile. Industry gossip has it that two major firms—MGM Records and RCA, had decided to fire key executives 2 weeks ago because of disappointing sales but postponed action to avoid any implication it was connected with the current scandal. Both MGM and RCA flatly deny they intended to fire the men.

A few years ago, before Mike Curb took over as president, several MGM executives were caught taking payoffs from record distributors, in exchange for which the distributors got free records under the guise of "promotional copies" and got irregularly large credits for the return of old, unused records. Two MGM executives pleaded guilty to income-tax evasion in the case.

One MGM executive prosecuted was Frank Mancini, sentenced last July to two years on probation and fined $3,000. Mr. Mancini now is vice president in charge of promotion for RCA Records. "I don't think it's at all pertinent," Herb Helman, a public-relations man for RCA, says of Mr. Mancini's conviction. "Everybody gets rehabilitated."

EXECUTIVE'S APARTMENTS REMODELED

The record business is rife with what, in other fields, would be considered conflicts of interest. For example, Bob Gibson and Gary Stromberg, who run a prominent West Coast public-relations firm representing record artists, bought a Los Angeles restaurant in partnership with executives from five record companies—Warner Brothers, ABC-Dunhill, Ode, Neighborhood and Columbia—whose artists are Gibson-Stromberg clients. Promotion parties have taken place at the restaurant, the Rainbow.

The cost of promotion parties often is charged against artists' royalty accounts by record companies. The record companies, moreover, are in a position to influence an artist's choice of public-relations agent, while the PR agent—theoretically representing only his client's interest—must depend on the record companies for prompt payment of his fees.

But all this is accepted practice in the business and so were Mr. Davis' activities at Columbia. A CBS suit against him cites the remodeling of his New York apartment, for example, which was allegedly paid for by the company. But William Brown, a former salaried CBS design consultant who now has his own firm, says he did similar work for "almost every executive there—90% of them"—and sent the bills to CBS. He says he was told the company would then bill the executives for the personal work, but he doesn't know whether that actually happened.

EVERYBODY HOPES CLIVE FORMS HIS OWN COMPANY

Though Clive Davis was fired from Columbia Records, allegedly for lavish personal spending at company expense, his reputation in the record industry remains intact.

"Everybody hopes Clive comes back within six months, and forms his own record company," a prominent talent manager says.

"They'd all go with him. I hear every manager, artist, producer, agent in the street saying they hope he does it. There's no stigma at all. They all respect him and know what he can do."

[From the New York Times, June 8, 1973]

WITNESS DETAILS WORKINGS OF THE RECORDING INDUSTRY

(By Fred Ferretti)

The former Columbia Records executive who has been cooperating with Federal authorities in their investigation of payola and narcotics traffic in the recording industry detailed yesterday the events that led to his appearance before a Federal grand jury, and his decision to tell the Federal Strike Force Against Organized Crime in Newark "anything and everything I know about the record business."

In an interview in his lawyer's office on Park Avenue, David Wynshaw, former director of artist relations for Columbia Records, disclosed that he had spoken to officials of the Federal force five times and had been "cleared of any involvement direct or indirect, in the trafficking of drugs."

But Mr. Wynshaw—who was an aide to Clive J. Davis, the ousted Columbia Records president—declined to say what he told the grand jury and the Federal force. Asked if his disclosures had gone into the area of payola in the record industry, he said, "No comment."

DISCHARGED IN APRIL

The 52-year-old record executive, who rose to be senior director of special marketing projects for Columbia Records, was discharged by a corporate lawyer on April 10 after his name was found "in conjunction with some papers dealing with invoices for overstated amounts," he said.

Mr. Wynshaw was cited by the Columbia Broadcasting System on May 29 as the "agent" for Mr. Davis, through whom Mr. Davis was said to have spent almost $94,000 in corporation money for remodeling his apartment, for a Plaza Hotel bar mitzvah for his son and for West Coast expenses.

Mr. Wynshaw, the suit alleges, was the funnel for "false invoices or statements" relating to these expenses. However, the suit filed against Mr. Davis did not name Mr. Wynshaw as a co-defendant.

Officials of the Federal group have said that Mr. Wynshaw's name came up when they were examining papers belonging to Pasquale Falcone, a partner in record artist management companies. He was arrested in February with seven others, including a C.B.S. secretary, and accused of involvement in a heroin conspiracy.

Mr. Wynshaw, who stands 6 feet 2 inches and weighs 200 pounds, is a baldish, expansive man who, during the interview, rose often from his chair, gestured forcefully, and roamed about the desk of his lawyer, Robert Arum.

He pictured himself as a man without professional friends since he was discharged. He has been seeking work since, in between his grand jury and strike force meetings. Twice during the interview he phoned prospective employers. "All those guys who kept telling me when I was with Columbia how much they wanted me. . . ." He shrugged. "My phone hasn't rung."

Nor has he heard from his former superior, Mr. Davis. "But maybe his attorney has told him not to call me."

Mr. Wynshaw said he was first made aware of the Federal investigations on April 9. "I was in a restaurant. I always leave a number where I am. Clive called me and told me to get right back to C.B.S. There were a couple of C.B.S. attorneys with him. They mentioned the invoices. Then Clive said they had to talk further and he asked me to leave."

UP AND OUT IN MORNING

Mr. Wynshaw said he had been told by Mr. Davis to "go up to see Mallory Rintoul before I came in the next morning to see if there was anything to straighten out." Mr. Rintoul is an attorney for C.B.S., Mr. Arum said.

Mr. Wynshaw said he walked into Mr. Rintoul's office "and before I could say anything he held his hand up and said 'It's too late. you're out.' "

"I asked him what was going on" Mr. Wynshaw said "and he asked, 'Hasn't anybody told you anything?' I said no. He said, 'You're out.' " Mr. Wynshaw went to Mr. Davis' office to ask if he'd been dismissed, "and all Clive would say was 'You're not to go to your office.' "

It was then he said he found that his office had been padlocked, that postal authorities had been to C.B.S. to investigate. He said C.B.S. was still holding his mail, and personal effects including "a deed to a cemetery plot, God forbid I'd have to have it." That night he received a Federal subpoena.

He appeared before the grand jury the following day in Newark, he said, and retained Mr. Arum several days later. Mr. Arum confirmed that his client had met five times with the strike force "and he's cooperating fully."

Mr. Wynshaw said it was through memorandums in his desk on how money was allocated to pay for Clive Davis' personal expenses that Federal authorities, and C.B.S., focused on Mr. Davis.

Mr. Wynshaw, who said he made $35,000 a year, has been married 27 years and is the father of three children, Warren 21, who will graduate from Syracuse University this month; Jay 20, a student at Bard College, and Diane, 18, a freshman at Franklin and Marshall College.

HIRED IN 1960

After being hired in 1960, in Los Angeles, he was brought to New York as area sales manager for Columbia Records, then in a departmental shift was made director of artist relations. It was his job, he said, to place Columbia artists as guests on television talk shows and in print as a way of publicizing Columbia records and increasing sales.

STAR CONTRACTS LISTED

It was he, Mr. Wynshaw said, who succeeded in placing such stars as Johnny Cash, Simon & Garfunkle, Jerry Vale and Tony Bennett on N.B.C.'s "Tonight" show. He said he was the advance man for all Columbia Records conventions, and arranged all facets of the annual meetings including meals, board and performance times for Columbia artists.

Mr. Wynshaw said he was "Clive Davis's right hand," adding: "I loved it. I took all the artists around town when they came in. I'm known at the Copa and the Waldorf. There isn't a maitre d' in the city, in any restaurant who doesn't know me. I liked the action."

Mr. Wynshaw said that he dealt directly with various performers, and was not involved with direct contact with disk jockeys, record buyers or record promoters. The thrust of the Federal investigation is understood to be in the area of record companies' promotional activities—areas said to involve large budgets and inadequate accounting.

Mr. Wynshaw, who was born in East New York, Brooklyn, attended New York University and Los Angeles Law School, but was graduated from neither. Before joining C.B.S. he operated clothing stores in Hartford and in Springfield, Mass. For three years before he went to Columbia Records he was a Los Angeles real estate salesman and supervised ready-to-wear clothing operations.

"But this is what I want to stay in," he said. "I'd like to go with one of the other companies, or manage artists. I don't want to go on unemployment insurance. I just can't make myself do that."

SPECIAL IMPACT PROGRAM OF OEO

Mr. JAVITS. Mr. President, one of the truly "bright lights" in the antipoverty effort has been the emergency of the "Community Development Corporation,"—CDC's—developed originally under title I D of the Economic Opportunity Act, "Special Impact"—coauthored by the late Senator Robert F. Kennedy and me—and recently expanded under a new title added to that act by Senator EDWARD M. KENNEDY and me under the Economic Opportunity Amendments of 1972, signed into law by the President last September.

These efforts—which have been patterned after a very successful effort in the Bedford-Stuyvesant area of Brooklyn, N.Y.—are currently funded by the Office of Economic Opportunity at a level of $30.7 million in this current fiscal year.

In the words of a report issued last year by the Twentieth Century Fund of New York, a very distinguished group of experts, the key to the success of CDC's has been their—

> Unique capacity for pooling a community's talents and resources . . . for linking together a variety of business and projects . . . and for organizing the community to accept and effectively utilize resources and assistance from outside the poverty area.

Mr. President, the administration proposed in its fiscal 1974 budget submission that the program—now administered by OEO—be conducted in the future by the Office of Minority Enterprise in the Department of Commerce with a new minority enterprise focus and a bill to accomplish those purposes, S. 1941, the "Minority Business Assistance Act of 1973" has been introduced by Senator TOWER; it will be considered first by the Committee on Banking, Housing and Urban Affairs, and if reported by that committee, then by the Committee on Labor and Public Welfare, of which I am the ranking minority member.

With these possible changes in mind, in March of this year, then Acting Director of OEO Howard Phillips established an "Economic Development Task Force" to examine the program and to make recommendations as to how the program could be used to promote the

economic development of residents of lower income urban and rural areas.

The task force has not completed its work and their report has been provided to me by Mr. Phillips.

It contains a number of very serious recommendations which if implemented, would tend to give a greater minority enterprise focus to the activities of community economic development corporations, place greater emphasis on eventual self-sufficiency, and effect other organizational and programatic reforms.

I have serious reservations about many of the recommendations in the appended report, as do those of us who regard the current efforts under the present charter contained in the Economic Opportunity Act as successful and worthy of expansion.

Nevertheless, I consider it very important that the Members of the Senate and others interested in the community economic development effort be apprised of the task force's work and have a full opportunity to assess its recommendations in considering the future of the program generally.

Accordingly, I ask unanimous consent that a copy of the letter dated June 11, 1973, from Mr. Phillips to me together with the task force report be printed in the RECORD.

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

OFFICE OF ECONOMIC OPPORTUNITY,
Washington, D.C., June 11, 1973.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: The Office of Economic Opportunity has, for the past five years, administered part or all of a program of community-based economic development known as the "Special Impact Program". These activities have been carried out under the authority of title I, part D (later title VII) of the Economic Opportunity Act of 1964.

In March of this year, I appointed an Economic Development Task Force to examine this program and to make recommendations as to how this statutory authority could be used to promote the economic empowerment of residents of lower-income urban and rural areas. This Task Force has now completed its examination of the "Special Impact Program" and has submitted its report and recommendations to me regarding this program.

I believe that the findings of the Task Force and its recommendations will be of interest to you, and I am enclosing a copy of the Task Force report for your information.

With best wishes.

Sincerely,

HOWARD PHILLIPS, *Acting Director.*

OFFICE OF ECONOMIC OPPORTUNITY,
Washington, D.C., April 25, 1973.

Mr. HOWARD PHILLIPS,
Acting Director, Office of Economic Opportunity, Washington, D.C.

DEAR MR. PHILLIPS: I am pleased to transmit the final report of the Special Task Force on Economic Opportunity.

In my judgment the fourteen members of the task force have carried out their mandate with unusual dedication and distinction. All have had to put aside temporarily their personal and professional affairs, and have made these sacrifices willingly. Their reward has been the opportunity to serve in an effort that can be vital in fulfilling the hope expressed by President Nixon in his Human Resources Message to Congress, to bring to every American the opportunity to share in the fruits of our economic system.

I know I speak for all members of the Task Force in thanking you for the opportunity to participate in this important work.

Very truly yours,

WILLIAM S. P. COTTER,
Chairman.

DIRECTOR'S TASK FORCE ON ECONOMIC DEVELOPMENT—FINAL REPORT, MAY 1973

I. SUMMARY OF TASK FORCE RECOMMENDATIONS

1. The importance of economic development

An economic development program which opens new opportunities for employment, capital accumulation, ownership of wealth, development of skills, community improvement, and the mobilization of individuals for motivated mutual self-help offers the brightest promise for achieving the economic empowerment of the people of special impact areas. Indeed, it may offer the only hope.

2. Business development and community development

While economic development activities hold the greatest promise for mobilizing the human and physical resources of the special impact area, it is important that they proceed in tandem with other self-help community improvement efforts that contribute to a sense of community pride, cohesion and progress. These parallel activities must not, however, be allowed to divert capital and management talent from business development programs. Those persons directly responsible for the success of business ventures must be free to concentrate their efforts in producing that success, like the managers of any other business. Their task is to return a profit. The time to consider business ventures as an instrument of community development is only when they are returning a profit to their shareholders. A strict separation must be maintained between business ventures and the non-business concerns of a community. Failure to recognize this principle is an invitation to financial disaster and the thwarting of the entire self-help program.

3. Entrepreneurship opportunity programs are an important element in national policy

Programs to assist individuals to become independent business owners, such as those administered by the Office of Minority Business Enterprise, the Small Business Administration, and many other public and private organizations, constitute an important part of any broad program of economic development and deserve strong support.

4. Those who are not entrepreneurially inclined deserve a chance to participate in the economic development of their communities

In addition to public and private programs to assist potential entrepreneurs, there is an important role for a community-based economic development program which can mobilize the energy and talents of a broad cross-section of the community.

5. Community Development Corporation Structure

Recommendations

a. A model CDC structure would begin with a nonprofit corporation responsible for overall planning and guidance of the economic development program, and for relations with government agencies and private sources of funding. The basic purpose of this corporation is to provide a vehicle for participation for the residents of the community, which can achieve legitimacy as an engine for community progress. This nonprofit CDC should be able to exhibit broad support in the community.

b. The nonprofit CDC would be controlled by a Board of manageable size responsive to the residents of the community, and, upon completion of the organization period, chosen by the CDCs members. These Directors need not be experienced businessmen, but the Board must have the confidence of the people of the community and an ability to understand clearly the importance of business venture success to the overall CDC program.

c. Underneath this broadly-based nonprofit CDC would be a holding company, organized for profit, whose stock is held by the CDC or by its members or member organizations. The holding company would have prime responsibility for the profitability success of business ventures. Its Board, selected by it shareholders of whom the CDC would probably be the most influential, should be predominately composed of persons experienced in business and finance. The holding company board might well include nonresidents of the community, such as leading businessmen from outside the special impact area, whose judgment, contracts, and leadership can be vital to the success of the business development program.

d. Underneath this for-profit holding company would be the various for-profit ventures. Ownership of these ventures would be shared by the holding company on behalf of the CDC, the management and employees of the individual ventures, joint venture partners, and perhaps others.

e. When, after making allowances for reinvestment in new ventures or expansion, the holding company declares a dividend, the CDC as major or only shareholder of the holding company could use such funds for whatever purpose its board found most advisable. There would, however, be no direct connection between profit-seeking ventures and social or community development activities. This, again, is necessary if the CDC is to become an economic success.

f. Under this model structure the CDC would remain a legitimate vehicle for community-based economic development, and be eligible for tax-deductible grants and such governmental programs as require nonprofit status. The CDC-owned holding company would direct the business development program with the goal of returning a profit for its shareholders.

g. In certain dispersed rural areas, a two-tiered CDC might be required, with the overall CDC becoming more of a technical and management organization, and the community policy making functions taking place at the county level.

6. The principle of competition

No CDC should seek an exclusive franchise on economic development activities in its community, but instead should recognize that progress comes from diversity and competition. A multiplicity of self-help efforts, based on the personal involvement of concerned individuals, may seem inefficient at the beginning, but without it the inevitable result will be stagnation and bureaucracy.

7. The CDC must have a strong base of support in its community

CDCs should strive to obtain some tangible indication of support, such as membership or shareholding, among a significant number of the people of a community. In addition, the natural leadership of the community, whether poor or not, should be drawn upon to support the program, and the CDC's activities should be made highly visible and relevant to the community's residents.

8. The CDC must adopt profit and self-sufficiency as its goals

Every CDC must adopt business profits and ultimate self-sufficiency as its paramount

goals. While administrative and planning costs may be relatively high in the early years, they should decrease steadily as successful ventures bear the full cost of staff overhead provided. Within a mutually agreed-upon period, as set forth in the CDC's comprehensive plan, each CDC should be expected to achieve complete self-sufficiency or face termination of government support.

9. The economic and psychological benefits of private property ownership and important ingredients

Recommendations

a. By expanding property ownership opportunities for those who would otherwise be able to own little, the CDC can fill an important gap in the national effort to broaden the distribution of private property ownership. Management, employees and others should be given an opportunity to invest in the ownership of their own ventures, or in the CDC holding company, as a means of creating tangible economic incentives to achievement.

b. Even where direct individual economic benefits are not feasible, widespread share ownership in a CDC working to improve conditions in the community may contribute to a new sense of pride, cohesion, responsibility and progress among community residents. In addition, by encouraging the ownership of economic resources in the community, a CDC can reverse the trend of capital and profit-exporting which bleeds the community of badly needed resources.

c. CDCs should thus work to encourage expanded private property ownership, both in a direct economic sense and in the more psychological sense. Where residents are unable to accumulate sufficient cash to buy into a CDC, they should be offered the chance to earn their share through their own labor.

10. The importance of comprehensive planning

Every CDC should be expected to undertake long range comprehensive planning for the sound economic development of its community. Without such planning the likelihood that CDC can achieve its objectives is very small.

11. Managerial talent is an indispensable component of a successful CDC program

A CDC must put the highest priority on identifying and preparing qualified managers for business ventures, and in designing economic incentives to maximize the chances for first-class performance. The concept of a business management team operating on a performance contract should also be explored.

12. CDC staff and board training is vital to success

Both CDC staff and Board members should undergo thorough and continuing orientation and training for their respective roles in the CDC organization. More experienced CDCs—particularly those which may have learned the hard way—can be most useful in making this training effort effective.

13. Business assistance from the larger community is extremely important to the success of a CDC

CDCs should make a concerted, sustained effort to attract and actively involve outside business resources in their economic development programs. Such outside help could take many forms. Businessmen should be asked to sit on the holding company Board and the board of the CDC itself. A Business Advisory Council is an eminently worthwhile idea. Businessmen and technical experts should be recruited as advisers to individual ventures, and as informal consultants to the entire CDC operation.

14. Direct, motivated involvement by established businesses and financial institution can create important opportunities for CDCs

Joint ventures between a CDC and an established company offer great promise to the CDC's economic development program. This can be done in a way that the "outside" company can take much of the responsibility for creating the venture, bring it to profitability, train new management to assume operating control, and ultimately divest majority ownership to the CDC at a fair price. Turnkey tax incentives to stimulate this process should be developed and, if not enacted into the Internal Revenue Code, simulated on an experimental basis.

15. Financial leverage must be achieved

CDC's must make maximum effort to leverage their scarce equity against other private resources and public programs. To fail to do so is to waste the most valuable financial resources the CDC may have.

16. Removal of Governmental obstacles important to success

Local, state and Federal governments should explore ways in which their regulations and requirements could be modified to further cause of economic development, whether by CDC's or by other businesses.

17. The administration of the special impact program must be improved

Recommendations

a. If and when new CDC's are funded, or existing CDC's refunded, a prime criterion should be the demonstrated willingness of the people of the community to undertake a motivated, mutual self-help program with competent, dedicated leadership, rather than a desire to distribute Federal funds or yield to political pressures.

b. CDCs must be assured of continuity of public support over a period long enough for the CDC to demonstrate its viability. Nothing is more destructive of a genuine self-help effort than an inescapable reliance on a confused government bureaucracy which cannot decide what it expects.

c. Each CDC must develop an effective management information system which can provide a continuous assessment of progress toward stated goals. So long as those goals, initially agreed upon by the CDC and OED, are being achieved as planned, the CDC should be freed from uncertainty about continued funding.

d. The CDCs must have the kind of flexibility enjoyed by private businesses, within broad limits. A legal and administrative straitjacket will certainly doom any business-oriented program. OED should steadily relinquish venture approval authority as specific CDCs demonstrate their ability to manage a sound business development program. For less experienced CDCs, OED should provide a go—no go decision within two weeks after venture approval is sought by a CDC. Furtheremore, the full amount of the CDC grant should be released to the CDC when initially approved, to permit the CDC to attain maximum financial leverage with local banks. These grant funds would of course be subject to monthly reporting and audit to prevent misuse.

e. Each CDC must adhere to strict financial accountability practices, taking particular care to allocate costs properly among business ventures, administrative costs, and other activities. This is particularly important where the CDC is the recipient of more than one grant from different sources.

f. The normal rules prohibiting political activity by CDC staff members should be insisted upon. Use of the CDC as a political instrument may assure its failure as an economic development institution, as well as termination of public support.

18. Additional research may be needed to identify new opportunities for community-based economic development

The Special Impact Program should continue to include research, development, and technical assistance efforts. Among the areas in which such work should be performed are:

a. the techniques of inspiring self-help efforts in special impact areas

b. the problems posed by stock sales by CDCs and their subsidiaries

c. the corporate and tax implications of various CDC structures

d. simulated tax and other incentives to attract established companies into joint ventures and turnkey arrangements with CDC ventures

e. incentive plans for the attraction and retention of top management talent, including experiments with management performance contracts

f. employee ownership plans, profit sharing and stock bonus trust, etc. through which employees can acquire shares in their ventures or in the overall holding company

g. techniques for CDC participation in the physical redevelopment of their communities, such as a real estate developer.

h. surveying governmental obstacles to CDC success, including local ordinances, licensing and inspection laws, zoning, securities laws, bonding requirements, etc. which result in unnecessary expense or denied opportunities

i. the potential for new community development by CDCs

19. Experimental independent appraisal of CDC operations would enhance their chance for success

The Cabinet Secretary to whom the Special Impact Program is assigned should name a CDC advisory committee composed of interested businessmen and others familiar with the program. Visitor teams from the Committee should make periodic visits to representative CDCs and from their field experience make recommendations to the Secretary concerning the workings of the program. The activities of such a committee should, however, not replace either technical assistance to the CDCs or the normal evaluation process associated with continued funding decisions for individual CDCs.

20. A successful program should multiply self-help efforts

Recommendations

a. CDCs should consider establishing regular means of exchanging information on economic and community development problems common to many CDCs.

b. Successful CDCs should be asked to assist in transplanting their self-help programs into other communities where the desire for mutual self-help is strong.

c. CDCs should consider establishing their own Technical Assistance Clearing House, whereby the resources built up in one CDC can be used to assist another, and where the quality of private technical assistance can be evaluated for the benefit of other CDC customers.

d. CDCs, with OED support, should develop a Community Economic Development Handbook, covering the wide range of problems faced by CDCs, for use by less experienced organizations, whether OED-funded or not.

e. Each CDC should consider itself a "community resource center", where smaller groups of community residents can get help in planning their own self-help programs in the community.

II. INTRODUCTION

Since 1968 the Office of Economic Opportunity has administered part or all of a program of community-based economic development, pursuant to Title I–D (later Title

VII) of the Economic Opportunity Act of 1964.

In March, 1973, OEO Acting Director Howard Phillips created an Economic Development Task Force. Its mandate was to examine the OEO "Special Impact Program", and to make recommendations to the Director as to how this statute could be used to promote the economic empowerment of the residents of lower-income urban and rural areas. The Task Force was not asked to attempt an evaluation of individual community development corporations (CDCs), but to examine a cross-section of CDCs to gain a broad appreciation of the operation of the Special Impact Program.

Mr. Howard Phillips named William S. P. Cotter, Vice President of Smith, Barney & Company, New York investment bankers as Chairman of the Task Force. H. Floyd Britton, President of Mark V Associates of New York City, an economic development consulting organization, was appointed as Vice-Chairman. Eight of the 14 Task Force members were members of minority groups—5 black and 3 Spanish speaking.

Beginning the week of March 12, following initial orientation, the Task Force members divided into teams and visited 18 CDC grantees throughout the country. Each week for five weeks the Task Force came together on Friday to report on their findings, exchange observations, and begin to formulate the recommendations contained in this report.

The draft report was prepared by a subcommittee, then discussed fully by the full committee on April 19. It is the hope of the Task Force that its efforts will make an important and useful contribution to the strengthening of present programs which seek to mobilize the talents and resources of those presently poor in a determined effort at aided, mutual self-help, so that they may begin to share in the economic security and improved quality of life which they do not now enjoy.

III. ORIGINS OF THE SPECIAL IMPACT PROGRAM

1. The Special Impact Program originated in Title I–D of the Economic Opportunity Act, added to the statute in 1966. This Title was enacted at the urging of New York Senators Robert F. Kennedy and Jacob K. Javits, principally to provide a source of funding for the Bedford-Stuyvestant redevelopment program which they had been instrumental in launching.

According to Geoffrey Faux, who later administered Title I–D at OEO, the two Senators based their amendment on the following assumptions:

"The war on poverty, particularly its major component, the Community Action Program, was insufficiently concerned with jobs and economic development;

"The conflicts and political influence which inevitably accompany a program run through city hall prevent accomplishment;

"The approach of the war on poverty was piecemeal while what was required was a comprehensive strategy;

"The business community must play a major role in solving poverty problems."

The statutory language of Title I–D was extremely general. It authorized Special Impact Programs for urban areas with high concentrations of low income people. Projects were to be designed to "arrest tendencies toward dependency, chronic unemployment, and rising community tensions." They were required to be of sufficient size and scope to have an appreciable impact. Congress appropriated $25 million in FY 67 to launch the program, of which $6.9 million was granted to the Bedford-Stuyvestant project. The remainder was scattered around the country to supplement the Labor Department's concentrated employment program.

In its report on the 1967 anti-poverty amendments, the Senate Labor and Public Welfare Committee criticized the Labor Department's administration of the act, and strengthened the language of the legislation to eliminate a special focus on youth employment, to concentrate more on economic development, and to include some rural areas. Putting new emphasis on community participation, the Senate report called for "community and community-based corporations" to sponsor the local programs "with the utmost cooperation of community residents."

In FY 68 the Special Impact Program was split administratively between four Federal agencies: Labor, Commerce (EDA), Agriculture, and OEO. OEO's approach was toward the economic development of the poverty area under the control of indigenous institutions; $1.6 million of the $20 million appropriated was used by OEO for its projects. The grants went directly from Washington OEO to the grantees, with no formal participation by either local CAAs or city halls. Unique among Federal grant programs, the Special Impact Program allowed Federal funds to be used for equity capital in businesses.

In the winter of 1968–69 the Johnson Administration's Budget Bureau determined that OEO Administration of Title I–D had met the intentions of Title I–D and the Congressional committees, but that the projects in Agriculture, Commerce and Labor had not. The Bureau recommended that the entire program be administered by OEO. This recommendation was concurred in by the Nixon Administration's Budget Bureau appointees, and the Special Impact Program became the only program ever to be "spun-in" to OEO. President Nixon, in his February, 1969 economic opportunity message, stated that "in the area of economic development OEO will have an important role to play, in cooperation with other agencies, in fostering community based business development." In FY 1969 OEO spent $11.4 million on its CDC program; in FY 70 $36 million; in FY 71 $35.9 million; in FY 72 $26.8 million; and in FY 73 $30 million.

As implemented by OEO since FY 69, the Special Impact strategy seems to have contained these ingredients:

a. A recitation of the critical problems of the Special Impact Area-joblessness, crime, dependency, rising community tensions, physical deterioration, lack of economic resources, shortage of managerial and technical skills, etc.

b. A prescription for these ills; organized mutual self-help built around the development of the economic resources of the community, resulting in increased community control and ownership, and involving a large number of community residents.

c. The Community Development Corporation as the vehicle for this effort, characterized by these criteria:

1. based in a geographical community

2. having broad purpose involving not just business and job development, but also broad-gauged community improvement

3. enjoying a broad base of support, formal and informal, among community residents, including particularly alienated young males contemptuous of welfare-oriented programs

4. focusing on the generation of revenues through economic enterprises owned by the CDC and operated for profit

d. The role of the Federal government would be to supply administrative funds to organize the CDC, plus equity capital for financing business ventures. The administrative funds included not only organization of business development programs, feasibility studies, and the like, but also broad community planning and organization efforts.

e. Multiplication of self-help through the involvement of the economic resources of the larger community, such as existing financial institutions, corporations, and business leaders.

f. An avoidance of potential interference by local Community Action Agencies and local government, by direct support of CDCs from Washington OEO.

g. An ultimate goal of economic self-sufficiency, where the CDC would sustain itself from business revenues and use profits for community improvement as desired by the residents.

There have, of course, been pressures from time to time that have caused modifications in this strategy. The political pressure to distribute the money has naturally forced OEO to depart from these theoretical requirements. But this, by and large, has been the underlying thinking.

The present legislative requirements for the Special Impact Program are contained in Title VII, a complete rewrite of the former Title I–D, enacted as section 25 of PL 92–424 in September, 1972. According to Title VII, the purpose of the Special Impact Program is:

"[To] encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits."

The specific legislative purpose for community development corporations are basically three:

"Critical problems": the program must attempt the solution of critical problems in a community—which, however, are not enumerated beyond "dependency, chronic unemployment, and community deterioration."

"Appreciable impact": the program must be of a size, scope and duration to have an appreciable impact upon these critical problems.

"Ultimate self-sufficiency": the program must "hold forth the prospect of continuing to have such impact after the termination of financial assistance under this title."

Under Title VII there are three main types of programs which CDCs are expected to undertake:

Economic and business development programs, including provision of equity capital, to create employment and ownership opportunities;

Community development and housing programs to create new training, employment and ownership opportunities and improve the living environment;

Manpower training programs for unemployed or low-income persons which support and complement economic, business, housing, and community improvement programs.

Title VII–A also includes a number of statutory "requirements for financial assistance" which must be complied with. Most important among these are the following:

The program must be "responsive" to the residents (in a manner not specified in the statute).

Projects and facilities must be located in the special impact area to the maximum extent feasible.

Projects should promote management skill development and resident ownership.

The maximum participation of local businessmen and financial institutions is required.

The program will be coordinated with other programs, notably Model Cities.

Low income residents should get preference in jobs and training opportunities.

Training shall be for marketable job skills.

Title VII also contains a rural loan program, carried over from the original Economic Opportunity Act, and provisions for training technical assistance, research, and establishment of a development loan fund.

(This fund has not, however, been established.)

As of January 1, 1973 there were 36 CDCs in operation as a result of Special Impact Program funding. Of these 18 were in urban areas, 17 in rural areas, and 1 in a combinaton urban-rural area. CDCs included a broad range of communities, from black (urban and rural) to Chicago to Puerto Rican to urban white ethnic to Appalachian white. . . .

IV. BASIC GOVERNMENT POLICY TOWARD EMPOWERING THE POOR

Over the past three centuries generations of Americans, working together, have produced the most powerful and productive economic system ever seen on this planet. Today the vast majority of our citizens live in a state of economic well-being that is the envy of the other peoples of the world. Yet, despite this widespread affluence, there exists within this country today millions of Americans—white, black, Spanish-speaking Indian—who find themselves with little independent capacity to influence their surroundings and improve the quality of their lives.

The situation they face is not purely an economic one. The achievement of economic security is no sure remedy for the manifold problems of life. And yet it cannot be gainsaid that without at least some modest level of economic security, a creative and satisfying life is out of reach.

Every American must be offered a fair chance to develop his capacity to constructively influence his environment, for the benefit of himself, his family and his community. And groups of individuals, working together for their mutual benefit, must be helped to acquire confidence and knowledge, identify their self-interest, formulate common purposes, general mutual reinforcement, and master the techniques of economic advancement. No less of a public policy is worthy of a great and free people.

The Federal government has not stood idle this past decade. Billions of dollars have been spent in the name of combatting poverty and improving the quality of life for the poor. In many cases significant gains for poor people have been achieved.

But in too many cases government-originated "solutions" have merely contributed to the problems of the poor, while alleviating only the economic problems of thousands of middle class bureaucrats and "poverty warriors". Too many of these billions have produced little more than service bureaus which, in the name of fighting poverty, have frequently trapped the poor at the bottom of one more vast organization without energizing them for independent, sustained economic advancement.

President Nixon, in his Human Resources Message to Congress of March 1, 1973, has set forth several clear policies which apply directly to the economic empowerment of lower-income Americans:

"[The American System] is a system under which Government helps people to help themselves and one another."

"Government at all levels should seek to support and nuture, rather than limit, the diversity and freedom of choice which are hallmarks of the American system. The Federal government in particular must work to guarantee an equal chance at the starting line by removing barriers which might impede an individual's opportunity to realize his or her full potential."

"The Federal government should concentrate more on providing incentives and opening opportunities, and less on delivering direct services."

"The Federal government should seek means of encouraging the private sector to address social problems, thereby utilizing the market mechanism to marshal resources behind clearly stated national objectives."

"[We must move] steadily closer to the goal of a society in which all our citizens, regardless of economic status will have both the resources and the opportunity to fully control their own destinies."

These observations of the President afford sound policy guidance for any program aimed at creating new opportunities for individual and mutual self help for all Americans.

Private industry, the independent sector, and all levels of government must work together with those who have not yet secured economic security to remove the obstacles to independence, achievement, and a decent quality of life that now face so many Americans. While government can provide valuable assistance, the focus of such an effort must be the people themselves. The goal must be not merely to improve their lives, but to help them discover an independent, self-sustaining capacity to achieve and succeed.

Only such a policy can reclaim the American dream for those who today see little real opportunity to share in that dream. A carefully and properly designed program for community-based economic development can be an important and valuable element in such a policy.

V. COMMUNITY ECONOMIC DEVELOPMENT PROGRAMS—FINDINGS AND RECOMMENDATIONS

1. The importance of economic development

By statute, the Special Impact Program operates in areas characterized by high concentration of low income persons, high unemployment, dependency, community deterioration, and scarcity of economic resources. Costs of doing business are high due to a shortage of credit, high insurance costs, crime and vandalism, and either inner-city congestion or rural remoteness. Typically, the little capital accumulated in such areas flows outward, as do the meager business profits. What productive economic resources exist are not infrequently owned by outsiders who have little real concern about the people of the community.

Yet in many of these areas there is hope for improvement. There are some business opportunities that can be developed. There are people willing to work to upgrade the economy of their communities. There is usually some degree of community structure—through churches, block clubs, neighborhood associations, etc.—which, with help, can respond to the common problems. No self-help program in such an area can, however, expect to achieve and sustain meaningful community improvement objectives unless it faces the basic economic problems—job opportunities, improvement of managerial and productive skills, capital accumulation, physical reconstruction, reacquisition of property ownership.

The experience of the Task Force clearly indicates that the most feasible target of mutual self-help in special impact areas is the solution of basic economic problems. *Recommendations:* An economic development program which opens new opportunities for employment, capital accumulation, ownership of wealth, development of skills, community improvement, and the mobilization of individuals for motivated mutual self-help offers the brightest promise for achieving the economic empowerment of the people of special impact areas. Indeed, it may offer the only hope.

2. Business development and community development

A carefully-designed and effective implemented economic development program can have a major effect in producing not only economic empowerment, but also community pride, cohesion, and a sense of progress. Isolated business development efforts, however, may fail to involve many community residents directly. If an overall driving spirit of mutual self-help is to flourish, the talents and energies of as many residents as possible must be mobilized to attack community problems on a broad front. In addition to business development efforts, self-help efforts in such areas as housing improvement, adult education, home ownership, crime and drug abuse prevention, child care centers, and community beautification can be extremely important. These associated self-help efforts can complement business development programs and enhance their chances for success.

There is a serious danger, however, in intermingling business and community development activities. Community development efforts do not usually generate the revenue to make themselves self-sustaining and increase the capital resources of the community. Diverting scarce business capital and talent into such activities can quickly reduce the resources available for business development and prevent the success of the overall economic development program.

Recommendation: While economic development activities hold the greatest promise for mobilizing the human and physical resources of the special impact area, it is important that they proceed in tandem with other self-help community improvement efforts that contribute to a sense of community pride, cohesion and progress. These parallel activities must not, however, be allowed to divert capital and management talent from business development programs. Those persons directly responsible for the success of business ventures must be free to concentrate their efforts in producing that success, like the managers of any other business. Their task is to return a profit. The time to consider business ventures as an instrument of community development is only when they are returning a profit to their shareholders. A strict separation must be maintained between business ventures and the non-business concerns of a community. Failure to recognize this principle is an invitation to financial disaster and the thwarting of the entire self-help program.

3. Entrepreneurship Opportunity Programs are an Important Element in National Policy

The opportunity for an individual to invest his time, skills, energy and resources in the hope of obtaining a profit is a fundamental element of the American free enterprise system. Opportunities for individual entrepreneurship in special impact areas and elsewhere should be continued and strengthened so that more Americans can have a fair chance to own and operate their own businesses.

Recommendation: Programs to assist individuals to become independent business owners, such as those administered by the Office of Minority Business Enterprise, the Small Business Administration, and many other public and private organizations, constitute an important part of any broad program of economic development and deserve strong support.

4. Those Who are Not Entrepreneurially Inclined Also Deserve a Chance to Participate in the Economic Development of Their Communities

As the President's Advisory Council on Minority Business Enterprise has cogently observed, "Only a relatively small segment of the population aspires to entrepreneurship and possesses the abilities and perseverance to see these aspirations through to fruition. Nevertheless, most people do hope to be able to participate in some form of economic ownership which could enhance their standard of living, self-confidence, and long-term security." (Report, June 1971, page 27.)

Recommendation: In addition to public and private programs to assist potential entrepreneurs, there is an important role for a community-based economic development program which can mobilize the energy and talents of a broad cross-section of the community.

5. Community Development Corporation Structure

Designing a general corporate structure for a community-based economic development program presents numerous difficulties. Community development corporations (CDCs) under the Special Impact Program exhibit a vast array of forms. Some are profit seeking, others nonprofit. There are holding companies, federations, foundations, and many other variations. Certainly no model could be expected to meet the particular needs of every urban and rural special impact area. Fully recognizing that special circumstances will require modifications, the Task Force recommends this general model for a CDC organization:

Recommendation: A model CDC structure would begin with a nonprofit corporation responsible for overall planning and guidance of the economic development program, and for relations with government agencies and private sources of funding. The basic purpose of this corporation is to provide a vehicle for participation for the residents of the community, which can achieve legitimacy as an engine for community progress. This nonprofit CDC should be able to exhibit broad support in the community.

The nonprofit CDC would be controlled by a Board of manageable size responsive to the residents of the community, and, upon completion of the organizational period, chosen by the CDC's members. These Directors need not be experienced businessmen, but the Board must have the confidence of the people of the community and an ability to understand clearly the importance of business venture success to the overall CDC program.

Underneath this broadly-based nonprofit CDC would be a holding company, organized for profit, whose stock is held by the CDC or by its members or member organizations. The holding company would have prime responsibility for the profitability success of business ventures. Its Board, selected by its shareholders of whom the CDC would probably be the most influential, should be predominately composed of persons experienced in business and finance. The holding company board might well include non-residents of the community, such as leading businessmen from outside the special impact area, whose judgment, contacts, and leadership can be vital to the success of the business development program.

Underneath this for-profit holding company would be the various for-profit ventures. Ownership of these ventures would be shared by the holding company on behalf of the CDC, the management and employees of the individual ventures, joint venture partners, and perhaps others.

When, after making allowance for reinvestment in new ventures or expansion, the holding company declares a dividend, the CDC as major or only shareholder of the holding company could use such funds for whatever purpose its board found most advisable. There would, however, be no direct connection between profit-seeking ventures and social or community development activities. This again, is necessary if the CDC is to become an economic success.

Under this model structure the CDC would remain a legitimate vehicle for community-based economic development, and be eligible for tax-deductible grants and such governmental programs as require nonprofit status. The CDC-owned holding company would direct the buisness development program with the goal of returning a profit for its shareholders.

In certain dispersed rural areas, a two-tiered CDC might be required, with the overall CDC becoming more of a technical and management organization, and the community policy making functions taking place at the county level.

6. The principle of competition

Progress and growth require diversity and competition between various organizations, individuals, and ideas. A CDC which seeks to develop an exclusive monopoly role in the development of a special impact community may well be sowing the seeds of its own downfall.

Recommendation: No CDC should seek an exclusive franchise on economic development activities in its community, but instead should recognize that progress comes from diversity and competition. A multiplicity of self-help efforts, based on the personal involvement of concerned individuals, may seem inefficient at the beginning, but without it the inevitable result will be stagnation and bureaucracy.

7. The CDC must have a strong base of support in its community

If the CDC is truly to unite the people of a community in a meaningful self-help effort, it must have a broad base of support. This does not mean that community referenda are required for decision making. It emphatically does not mean that every CDC member should have a chance to interfere with business venture operation. But it does suggest that the majority of the residents of the community should become at least aware of the CDCs efforts and give it at least their tacit support. Broadly based CDC membership or share ownership—by individual citizens, not by organizations claiming to speak for individual citizens—is indicative of that support and should be sought after.

Nor should this community support be limited to those meeting some standard of poverty. Community economic development requires the mobilization of the best talent and resources of the community, as well as many resources from outside the community. It thus requires the involvement of the natural leadership of the community, many of whom can not be classified as poor.

In addition, the CDCs activities should be highly visible in the community, so that citizens can have a chance to relate to its activities. CDC ventures, housing developments, facilities, vehicles and the like should be used to increase visibility. The CDC's activities should be well covered in community media.

Recommendation: CDCs should strive to obtain some tangible indication of support, such as membership or shareholding, among a significant number of the people of a community. In addition, the natural leadership of the community, whether poor or not, should be drawn upon to support the program, and the CDC's activities should be made highly visible and relevant to the community's residents.

8. The CDC must adopt profit and self-sufficiency as its goals

A CDC which struggles along from year to year, devoting scarce resources to social projects and administrative overhead, is unworthy of anyone's support. This kind of performance has unfortunately characterized too many government-funded organizations, with the result that the benefits of the programs have either never materialized, or have had little effort on energizing the poor who need it most.

Recommendation: Every CDC must adopt business profits and ultimate self-sufficiency as its paramount goals. While administrative and planning costs may be relatively high in the early years, they should decrease steadily as successful ventures bear the full cost of staff overhead provided. Within a mutually agreed-upon period, as set forth in the CDC's comprehensive plan, each CDC should be expected to achieve complete self-sufficiency or face termination of government support.

9. The economic and psychological benefits of private property ownership are important ingredients

President Nixon has stated that "We can fulfill the American dream only when each person has a fair chance to fulfill his own dreams. This means . . . new opportunities for expanded ownership, because in order to be secure in their human rights, people need access to property rights." (State of the Union Message, 1970).

Private property ownership has historically been linked with individual achievement, economic advancement, pride, dignity, self-respect, independence, respect for law and order, and responsible democracy. The opportunity to acquire property has been an important incentive to individuals to exert their best efforts and apply their talents.

The idea of property ownership has both economic and psychological ramifications. In the economic sense, where business managers, employees and other investors can acquire shares in productive business ventures, there is a possibility for capital appreciation and dividends based on business profits. Usually, significant economic returns to such owners depend upon a significant initial investment of capital, or contributed goods, labor, or services.

It is admittedly difficult to generate capital from special impact area residents in amounts large enough to hold forth the promise of significant economic returns to individuals. and even where investments in ownership are so nominal that real economic benefits to the investor as an individual are not possible, the psychological benefits of ownership may still be significant. People who own only one $5 share in a CDC may still experience the pride of ownership in viewing CDC-generated industries, shopping centers, or other productive facilities.

In addition, where CDCs can reverse a trend toward absentee ownership of businesses and real estate in the community, the people of that community can begin to feel that their community is no longer being exploited by uncaring outside interests. This, too, is an important consequence of CDC ownership even though it may not have a direct economic payoff for CDC shareholders.

Recommendation: By expanding property ownership opportunities for those who would otherwise be able to own little, the CDC can fill an important gap in the national effort to broaden the distribution of private property ownership. Management, employees and others should be given an opportunity to invest in the ownership of their own ventures, or in the CDC holding company, as a means of creating tangible economic incentives to achievement.

Even where direct individual economic benefits are not feasible, widespread share ownership in a CDC working to improve conditions in the community may contribute to a new sense of pride, cohesion, responsibility and progress among community residents. In addition, by encouraging the ownership of economic resources in the community, a CDC can reverse the trend of capital and profit-exporting which bleeds the community of badly needed resources.

CDCs should thus work to encourage expanded private property ownership, both in a direct economic sense and in the more psychological sense. Where residents are unable to accumulate sufficient cash to buy into a CDC, they should be offered the chance to earn their share through their own labor.

10. The importance of comprehensive planning

Experience shows that if a long-run economic development strategy is to achieve its objectives, careful and knowledgeable planning must take place. Planning enables a CDC to anticipate future developments in

its community and to take advantage of new opportunities. The existence of a realistic long range plan can also be a powerful motivating device for building community support.

Recommendation: Every CDC should be expected to undertake long range comprehensive planning for the sound economic development of its community. Without such planning the likelihood that the CDC can achieve its objectives is very small.

11. Managerial talent is an indispensable component of a successful CDC program

No business venture can be expected to succeed without a qualified and motivated entrepreneur or management team. The development of this talent and motivation is fully as important as the identification and development of the business venture itself. Too often CDCs seem to have focused on finding a viable venture, while waiting to the last moment to locate a qualified manager to operate it.

Recommendation: A CDC must put the highest priority on identifying and preparing qualified managers for business ventures, and in designing economic incentives to maximize the chance for first-class performance. The concept of a business management team operating on a performance contract should also be explored.

12. CDC staff and board training is vital to success

Merely locating and preparing qualified venture managers, important as it is, is only a part of the necessary training effort. Staff development in depth is a vital necessity which involves continuous responsibilities for all staff members, including particularly the responsibility of each executive to train and prepare his successor, especially at top and middle management levels.

In most cases the CDC staff will also require ongoing professional training in management, oriented to the particular problems faced by CDCs and in special impact areas. In addition, CDC Board members should be given an intensive orientation in the theory and practice of community-based economic development.

It is particularly important that Board members recognize the vital importance of venture profits to the success of the organization, and that interference in business decision making by the Board members and others presages economic ruin.

Recommendation: Both CDC staff and Board members should undergo thorough and continuing orientation and training for their respective roles in the CDC organization. More experienced CDCs—particularly those which may have learned the hard way—can be most useful in making this training effort effective.

13. Business assistance from the larger community is extremely important to the success of a CDC

While special impact areas are not devoid of business experience and resources, they customarily have less of these commodities than other more prosperous areas. Attempting to achieve business success by using only those resources located in a special impact area is a foolish and self-denying undertaking that a CDC can ill afford to pursue.

The Task Force has found that genuine self-help programs in special impact areas can attract business experience and acumen from the larger community. Many bankers, business schools, business firms, retired executives, trade associations, and others are more than willing to lend their talents and contacts to people who are willing to strive for their own economic advancement.

Recommendation: CDCs should make a concerted, sustained effort to attract and actively involve outside business resources in their economic development programs. Such outside help could take many forms. Businessmen should be asked to sit on the holding company Board and the board of the CDC itself. A Business Advisory Council is an eminently worthwhile idea. Businessmen and technical exports should be recruited as advisers to individual ventures, and as informal consultants to the entire CDC operation.

14. Direct, motivated involvement by established businesses and financial institutions can create important opportunities for CDC's

While CDCs may be able to launch a number of small scale enterprises for the benefit of the people of their communities, major progress usually depends on starting one or more large ventures that can compete effectively in the larger business world.

It is extremely difficult to launch such a major venture without the active participation of one or more larger, profitable companies or financial institutions which can supply much of the resources and know-how to nature the new venture through its early years.

Many large companies have actively participated in creating new minority and CDC-owned businesses. Over the long run, such companies cannot be expected to give such assistance purely for goodwill. They should be offered tangible incentives to collaborate with CDCs in economic development programs.

Recommendation: Joint ventures between a CDC and established company offer great promise to the CDC's economic development program. This can be done in a way that the "outside" company can take much of the responsibility for creating the venture, bring it to profitability, train new management to assume operating control, and ultimately divest majority ownership to the CDC at a fair price. Turnkey tax incentives to stimulate this process should be developed and, if not enacted into the Internal Revenue Code, simulated on an experimental basis.

15. Financial leverage must be achieved

Equity capital is a precious commodity in most special impact areas. Aside from what can be generated by community savings, much of the equity employed in the Special Impact Program has been Federal funds. The Task Force has noted with disappointment several instances where CDCs supplied 100% of the capital for a venture, instead of leveraging their equity through private financial institutions, or other government programs such as SBA.

Recommendation: CDCs must make a maximum effort to leverage their scarce equity against other private resources and public programs. To fail to do so is to waste the most valuable financial resource the CDC may have.

16. Removal of governmental obstacles important to success

Like all other businesses, CDCs have found that government can be a hindrance as well as an aid to economic development. In every community zoning, municipal ordinances, licensing and inspections, securities laws, patronage seeking and general harassment have posed obstacles—frequently unjustifiable—to business development.

Recommendation: Local, state and Federal governments should explore ways in which their regulations and requirements could be modified to further the cause of economic development, whether by CDCs or by other businesses.

17. The administration of the special impact program must be improved

The present Administration of the Special Impact program by the Office of Economic Development (or its successor) must be improved if the CDCs are to have the chance they deserve to achieve their objectives. This will involve several items:

Recommendations: If and when new CDCs are funded, or existing CDCs are refunded, a prime criterion should be the demonstrated willingness of the people of the community to undertake a motivated, mutual self-help program with competent, dedicated leadership, rather than a desire to distribute Federal funds or yield to political pressures.

CDCs must be assured of continuity of public support over a period long enough for the CDC to demonstrate its viability. Nothing is more destructive of a genuine self-help effort than an inescapable reliance on a confused government bureaucracy which cannot decide what it expects.

Each CDC must develop an effective management information system which can provide a continuous assessment of progress toward stated goals. So long as those goals, initially agreed upon by the CDS and OED, are being achieved as planned, the CDC should be freed from uncertainty about continued funding.

The CDCs must have the kind of flexibility enjoyed by private businesses, within broad limits. A legal and administrative straitjacket will certainly doom any business-oriented program. OED should steadily relinquish venture approval authority as specific CDCs demonstrate their ability to manage a sound business development program. For less experienced CDCs, OED should provide a go—no go decision within two weeks after venture approval is sought by a CDC. Furthermore, the full amount of the CDC grant should be released to the CDC when initially approved, to permit the CDC to attain maximum financial leverage with local banks. These grant funds would of course be subject to monthly reporting and audit to prevent misuse.

Each CDS must adhere to strict financial accountability practices, taking particular care to allocate costs properly among business ventures, administrative costs, and other activities. This is particularly important where the CDC is the recipient of more than one grant from different sources.

The normal rules prohibiting political activity by CDC staff members should be insisted upon. Use of the CDC as a political instrument may assure its failure as an economic development institution, as well as termination of public support.

18. Additional research may be needed to identify new opportunities for community-based economic development

The Office of Economic Development has supported several institutions to define new options for the program and to assist individual CDCs. The Task Force has not had the opportunity to study the research and development programs of these institutions. It does believe, however, that the community economic development program needs a strong technical and policy studies program behind it. In particular, the Task Force feels that work should go forward in areas such as those described below if presently under way; and that work should be undertaken in these areas where none is now in process.

Recommendations: The Special Impact Program should continue to include research, development, and technical assistance efforts. Among the areas in which such work should be performed are:

(a) The techniques of inspiring self-help efforts in special impact areas.

(b) The problems posed by stock sales by CDCs and their subsidiaries.

(c) The corporate and tax implications of various CDC structures.

(d) Simulated tax and other incentives to attract established companies into joint ventures and turnkey arrangements with CDC ventures.

(e) Incentive plans for the attraction and retention of top management talent, includ-

ing experiments with management performance contracts.

(f) Employee ownership plans, profit sharing and stock bonus trusts, etc. though which employees can acquire shares in their ventures or in the overall holding company.

(g) Techniques for CDC participation in the physical redevelopment of their communities, such as a development partnership plan with an established real estate developer.

(h) Surveying governmental obstacles to CDC success, including local ordinances, licensing and inspection laws, zoning, securities law, bonding requirements, etc. which result in unnecessary expense or denied opportunities.

(i) The potential for new community development by CDCs.

19. Experienced independent appraisal of CDC operations would enhance their chance of success

Every business can profit by a periodic inspection by a disinterested expert, and the CDC program is no exception. Periodic visits by CDCs by a well-qualified team of business and other experts could be most helpful in assessing the accomplishments of the program and suggesting directions for future effort.

Recommendation: The Cabinet Secretary to whom the Special Impact Program is assigned should name a CDC advisory committee composed of interested businessmen and others familiar with the program. Visitor teams from the Committee should make periodic visists to representative CDCs and from their field experience make recommendations to the Secretary concerning the workings of the program. The activities of such a committee should, however, not replace either technical asistance to the CDCs or the normal evaluation process associated with continued funding decisions for individual CDCs.

20. A successful progrm should multiply self-help efforts

A truely successful self-help program, such as the community-based Special Impact Program is intended to be, should have the capacity of stimulating additional self-help ventures, both in the same community and elsewhere. This "reachback" is an important payoff from any successful self-help undertaking.

Recommendation: CDCs should consider establishing regular means of exchanging information on economic and community development problems common to many CDCs.

Successful CDCs should be asked to assist in transplanting their self-help programs into other communities where the desire for mutual self-help is strong.

CDCs should consider establishing their own Technical Assistance Clearing House, whereby the resources built up in one CDC can be used to assist another, and where the quality of private technical assistance can be evaluated for the benefit of other CDC customers.

CDCs, with OED support, should develop a Community Economic Development Handbook, covering the wide range of problems faced by CDCs, for use by less experienced oragnizations, whether OED-funded or not.

Each CDC should consider itself a "community resource center", where smaller groups of community residents can get help in planning their own self-help programs in the community.

VII. CONCLUSION

The Task Force believes that a community-based economic development strategy which is properly, wisely and responsibly designed to generate and build upon indigenous mutual self-help efforts can be highly promising strategy for promoting the economic empowerment of the people of special impact areas.

With the adoption and implementation of the recommendations made above, the Task Force believes that the Special Impact Program can foster a new upwelling of creative energies among those now living in special impact communities. It is these creative energies, springing from the people themselves, which deserve public support and assistance until they can achieve economic independence.

APPENDIX A—FIELD TRIP CHECK LIST

I. Description of the Community:

(a) Demographic—population, racial and linguistic characteristics, income levels.

(b) Economic conditions—viability of business and financial institutions, available economic resources.

(c) Social—community stability, fragmentation, leadership, important organizations, burning issues.

(d) Political—importance of political structure—city and county government, etc.

II. Genesis of CDC:

(a) Who initiated application, organization, etc? When?

(b) Key figures in development.

(c) Original goals, hopes; changes over time.

III. CDC Structure:

(a) Profit or nonprofit.

(b) Membership/shareholders.

(c) Subsidiaries/affiliates.

(d) Board—composition, method of selection.

(e) Staff—qualifications, recruitment, turnover.

(f) Anticipation structural changes.

IV. Planning and Management of CDC:

(a) Board development.

(b) Effective policy locus.

(c) Management Information System.

(d) Milestones for progress.

V. Ventures:

(a) Identification of opportunities.

(b) Leveraging of CDC equity capital.

(c) Ownership arrangements.

(d) Quality of venture management.

(e) Use of technical assistance and consultants.

(f) Assistance from government agencies.

(g) Board's role in venture management.

(h) Employment—how jobs are distributed; previous status of employees; attitude of employees.

(i) Expected returns; how much, how soon.

(j) Non-revenue producing investments—impact.

(k) Ventures stimulated as a result of CDC investment.

VI. Community Impact:

(a) Range of cooperating organizations.

(b) Competing organizations; enemies.

(c) Political relationships.

(d) Mobilization of complementary activity; self-help.

(e) Broad participation in CDC activities.

VII. Role of Government:

(a) OEO/OED Problems in grant management, venture approval, etc.

(b) Other Federal government involvement—delays, interagency problems, etc.

(c) State government problems—securities laws, OSHA.

(d) Local government problems—zoning, codes, permits, etc.

VIII. Overall Evaluation:

(a) Does the CDC have a comprehensive and realistic plan?

(b) Does the CDC have sound business management and is it making a respectable record in generating revenue?

(c) Are the key staff and Board members competent, involved, and enthusiastic?

(d) Does the CDC have general support in the community?

(e) Has the CDC generated or stimulated additional self-help ventures?

(f) Has the CDC produced lasting institutional change?

APPENDIX B—SELECTED CDC BIBLIOGRAPHY

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APPENDIX C—ECONOMIC DEVELOPMENT TASK FORCE MEMBERSHIP

William S. P. Cotter, Chairman, New York. Vice President, Smith Barney & Company, investment bankers; Chairman of the Board, Schuchman Foundation.

H. Floyd Britton, Vice Chairman, New York. Attorney: President, Mark V Associates, Inc., business development consultants; Vice President, National Business League.

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Barbara J. Oliver, New York. Executive and consultant in human resource development and urban affairs.

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Sam Sparks, Little Rock, Arkansas. President, Sam Sparks and Associates, economic development consultants; Chairman, Arkansas Business Development Corporation.

John R. Thompson, New York. Marketing Consultant: International Editor, *Madison Avenue* magazine.

Robert Allen Walls, Tulsa, Oklahoma. Small businessman.

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PROBLEMS CAUSED BY ENVIRONMENTAL PROTECTION LAWS

Mr. FANNIN. Mr. President, proposals by the Environmental Protection Agency to severely restrict the use of automobiles is bureaucratic dictatorship at its worst. Proposals which have been sug-

gested by the EPA for Arizona would spell economic disaster.

It is very apparent that EPA has put the cart before the horse. It seeks to force people to stop using cars before any realistic alternative means of transportation is available.

This is an attempt to blackjack the public, and I believe such strong-arm tactics are wrong.

Strategies to reduce auto use should be aimed at achieving a desirable result over the next decade or so without undue coercion. Transportation and pollution problems have been growing for several decades; we should not be so impatient as to expect overnight solutions.

It is time for Congress to take a good hard look at where we stand in the transportation and environmental arena. Our environmental laws and agencies obviously are in need of a major tuneup. We should reexamine some of the unrealistic standards and deadlines. These should be brought into tune with social and economic realities.

Mr. President, the Arizona Republic on Sunday carried an editorial which provides a good sample of public reaction to the EPA pronouncement that Americans must be weaned from the automobile. I ask unanimous consent that this editorial be printed in the RECORD at this point.

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

EPA's DICTATORSHIP

Stripped down to its basics, the Environmental Protection Agency's thunderbolt threat to force Americans out of their cars has the smell of an automotive dictatorship.

Americans should take it seriously, and not shrug it off as a bureaucratic prank from the Potomac. Washington Big Brothers have shown a skill for transforming absurdity into law.

The blacks of the nation were taken in by the respectability of school busing—until it dawned on them that their children had become parts in a sociological gearbox more interested in moving bodies than improving minds.

But if school busing was a rapacious attack on human freedom, the EPA anti-auto strategy would be absolute conquest over reason and the rights of Americans.

EPA would effectively abolish the right of any state to respond to its own citizens' needs, and establish air standards.

And it would recklessly take away community mobility, and thus the ability to work and play, on the strength of arbitrary standards set down by a small lobby of theoreticians who want the nation to exist in some kind of sylvan back-to-nature fairyland.

Arizona's legislative leadership, which has toiled long and diligently to establish an orderly plan for guarding the air, correctly objects to the EPA's abusive dicta.

They would rather fight than switch.

But Arizona cannot do the job alone. Other states and urban areas should mount a protest which can be heard and felt in the halls of EPA and the Congress.

What would EPA's list of particulars entail?

Forced car pools.

Gas rationing.

Prohibitive parking rates.

Traffic banned on downtown streets.

The Arizona clean air program, like so many others articulated by thoughtful planners, is an orderly shift from environmental irresponsibility to practical conservation of environment. It has a target date of 1975, and considers the ability to shift dependence from the auto to other transportation modes.

But EPA's crackdown is typical of the instant-happiness route which stoically ignores hardship on citizens, basic tenets of human freedom and the absence of technological reality.

What happens in Phoenix if EPA's broad strategies are invoked?

With parking banned, gas rationed and alternative transportation the only hope for workers, does Phoenix have a bus system which could take up the slack?

Certainly not.

Every available measure shows that America's air is not as foul as experts claim. They always confine their photographic evidence to a cluster of smoke stacks in an eastern industrial town when proof is needed.

Portentously, industry is spending billions to add purity to the air, and thoughtful laws allowing development of technology to catch up with decades-old abuses ensure that the environment can be reasonably improved and protected.

EPA does not know reason, however. EPA's curative course might be compared to medicine refusing to spend arduous years finding a cancer cure. Kill the patient and there is no more cancer.

Mr. FANNIN. Mr. President, the Phoenix Gazette on June 19, 1973, also carried a very good editorial stating the need for reconsideration of our environmental cleanup program. I ask unanimous consent that this editorial be printed in the RECORD at this point.

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

CLEAN-UP GOING SOUR

Unless Congress gives major American cities more time to meet clean-air standards imposed by federal law, the whole worthwhile effort to reduce air pollution is almost sure to collapse in a tidal wave of public outrage.

The traffic control plans proposed by the Environmental Protection Agency for 13 major cities no doubt would cut down on air pollution dramatically—but by strangling the cities economically.

As desirable as smog-free air may be in Los Angeles, for example, it is preposterous to propose controls that would force all the automobiles off the streets there by 1977. Likewise, it doesn't make sense to suggest that driving be curtailed in northern New Jersey by more than 60 per cent any time soon.

That isn't to say that all of EPA's plans are absurd. One requiring the installation of new air pollution control devices on heavy duty vehicles seems fair enough. Others that would tend to discourage the use of autos and prompt more people to use mass transit aren't necessarily out of line.

The EPA hasn't yet disclosed its plans for Phoenix, but, according to one source, they will call for the rerouting of traffic away from populated areas here. Presumably that would dictate a routing of the Papago West Freeway around the city instead of through it, down McDowell Road. That would make good sense, but applied in other ways, traffic rerouting here might not.

Whatever may be in store for Phoenix, however, measures to control air pollution should be in the realm of reality. A society almost entirely dependent on the automobile for transportation can't be expected to abandon cars overnight.

In announcing the control plans his agency was mandated to develop by federal law, EPA administrator Robert W. Fri observed "I am not sure these are the results that Congress intended." That must be understatement. Does Congress want to shut down the city of Los Angeles by prohibiting the use of autos there?

Fri says he will ask Congress to consider legislation giving severely affected areas more time to meet the clean air standards. Let's hope Congress acts favorably on that request soon. The people probably want clean air badly enough to change some of their ways to get it, but if the impossible is demanded of them, the people are likely to revolt against the environmental clean-up.

Mr. FANNIN. Mr. President, the detrimental effects of the EPA program are not limited to Arizona or the West. On the same date that the Gazette was running its editorial in Phoenix, the Evening Star here in Washington was making some very similar observations about the intolerable economic and social consequences that our ill-conceived laws could bring about. I ask unanimous consent that this editorial be printed in the RECORD at this time.

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

THE CLEAN-AIR COLLISION

The clean-air ideal that Congress embraced so enthusiastically three years ago is coming into hard collision with the fact that its attainment—on the schedule envisioned—simply may not be possible through any rational means. Developments emerging last week from both the Supreme Court and the Environmental Protection Agency reinforce that view. They cast heavier doubt on the nation's ability to meet the air-purity standards set by Congress, to become effective in 1975.

First came the court's decision that air quality cannot be allowed to deteriorate significantly anywhere in the country—even out in the great unpopulated expanses where pollution doesn't begin to approach the limits set by the Clean Air Act of 1970. This interpretation of the act might, if rigidly applied, serve virtually to paralyze growth in underdeveloped areas that are seeking new industry. And dispersal of some industry from the larger congested cities to rural towns should, we think, be a part of the general program to reduce pollution. But the worst impact of this decision may hit the metropolitan centers in a way that relates, detrimentally, to both pollution and energy production. If new electric plants and other utilities cannot be located outside the areas of urban contamination, the problems of depollution and power supply will become much more difficult.

But the extent of this restriction will be unknown until there is clarification by the court, which gave no written opinion, and hence no guidance at all, but only upheld a lower court decree by a tie vote. Further litigation must be awaited to get the needed answers. And meanwhile, some major cities have only the dimmest prospect, or none at all, of meeting the air standards set for the year after next.

That became more starkly apparent last Friday when the EPA rolled out a partial plan for meeting Congress' requirements. An astounding reduction of traffic is contemplated in 18 urban areas—possibly even a total ban on private cars in Los Angeles, and a 60 percent cutback of driving in northern New Jersey. This is a good deal more than public opinion can be expected to bear. Certainly the prospective plans for the Washington area (on which we will have more to say later) would come as a jolt to countless wage-earners here.

Taken as a whole, the EPA's ideas for urban sectors, going into effect so soon, could exact intolerable economic penalties and prove politically indefensible. Given a bit more time, the widespread public-transit improvements

now underway, and anti-pollution equipment on autos, can greatly ease the pain of transition to cleaner air.

Fortunately, the acting EPA chief, Robert W. Fri, seems to have no delusions about all this. In presenting the highly restrictive plan, Fri said he was "not sure these are the results that Congress intended," and that he will "explore with Congress the desirability of extending the deadlines for these areas that are so deeply affected." That is the wise course. Congress should begin reexamining the Clean Air Act, with a view to revisions that would allow more flexibility in reaching some of its goals. The need is for careful coordination, to achieve the final high objectives with the least possible economic damage.

Mr. FANNIN. Mr. President, another editorial which I believe should be brought to the attention of my colleagues appeared in the June 25, 1973, edition of Industry Week magazine. It is captioned, "Reason, Not Hysteria." That most certainly is what we need today in considering where we stand, and where we hope to go. I ask unanimous consent that this article also be printed in the RECORD.

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

REASON, NOT HYSTERIA

Clean up the environment or else!

That's the hard line that has been drawn for industry. In some instances, near hysteria has set in. In the clamor to improve our ecology, laws have been based on opinion and emotion rather than fact.

The result has been the drawing of battle lines. It's industry versus pollution control enforcers—an advisary position rather than one of "let's reason together" to get the job done.

Let there be no mistake about it. The task of cleaning up the environment is all-important. It must and will be done. But it must be done with reason and plan, not with hysteria and threats.

We find heartening any attempt to put our quest for an improved environment on a reasoned course.

Allegheny County (Pittsburgh) Judge Silvestri J. Silvestri seems to be doing just that in litigation stemming from charges by the county environmental control agency that U.S. Steel Corp.'s Clairton (Pa.) Works' coke plant is violating air pollution standards. The county asked that the firm be fined $300,000 for failing to comply with a previously agreed-to court consent decree.

In a display of practicality, rare when it comes to environmental questions, the judge asked: "Would such an order improve the environment?" and then went on to answer, "We think not."

Rather, the judge questioned the standards as being a product "of the opinions of experts whose qualifications in this particular area are not apparent" and pointed out "there is not presently in the field demonstrated technology which can meet all the standards established by the plaintiffs."

Looking beyond the immediate case, the judge noted the questions are important to every group taking an interest in our environment, and to workers and the public. Controlling pollution in all forms is a task of "unforeseen proportions" requiring everyone's cooperation. "It will not be done by executive, legislative, or administrative fiat," he noted.

The judge ordered each of the parties to come up with more facts. Each is to appoint a team to evaluate the problem and review possible solutions.

He concluded: "History has demonstrated that science and technology have been able to solve problems in many areas once deemed impossible of solution. History also teaches us that the solutions were achieved, not through hysteria, but by a dispassionate search for basic facts and knowledge. . . ."

We applaud his efforts to get those involved to reason together to evaluate the problem, and to review possible solutions and their economic feasibility.

That's the only way to go.

Mr. FANNIN. Mr. President, and finally, in concluding my comments on the problems caused by our environmental protection laws, I would like to call attention to an advertisement which was printed recently by the Warner & Swasey Co. This very appropriately points out that pollution control can be very costly for society, and that this should be fully understood. The public must be aware of the price and willing to pay it, or we will not have any effective pollution control program in a democracy. I ask unanimous consent that this article be printed in the RECORD.

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

ALL TOO MANY CRUSADERS CARRY BANNERS WITH THE DOLLAR SIGNS REMOVED

Yes, of course we can have pure air and water, automobiles and smoke stacks which emit no noxious fumes, smog-free cities, if—IF—we are willing to accept automobiles with miserably poor mileage, *if* we accept far higher electric rates, *if* we are willing to pay much more for almost everything we use, *if* —

Everyone wants freedom from pollution but no one seems willing to look at the other side of the coin—the cost. So isn't it a little silly for Environmentalists to beat their breasts and point their fingers and sharpen their tongues against business until they first publicly declare they are willing to pay the cost of the utopia they demand?

Like everything else in life, Freedom (including freedom from pollution) *is not Free.*

For years this Company (which, because of its type of business, is not a major polluter) has been spending hundreds of thousands of dollars, sometimes changing entire processes, to stop every possible pollution of air and water, every possible volume of irritant noise. So, too, we happen to know, have hundreds of other companies. But a complete revision in operations takes time as well as money.

Like so many other things in this country, we'd all see more clearly and so reach our goal more quickly with less crusade heat and more light.

CAMPAIGN FINANCING REFORM

Mr. CRANSTON. Mr. President, I intend during the next few months to devote a considerable part of my time and energy working in the Senate for legislation to cleanse elections of the corrupting curse of big money.

There are many lessons the American people must learn from that seamy perversion of the democratic process that we call the Watergate affair.

They range from the need for constant public vigilance about the separation of powers to the absolute necessity of maintaining a free and independent press.

But there is nothing about Watergate that should be more firmly embedded in the American mind than the fact that campaign contributions in the huge sums we have seen in recent campaigns inevitably corrupt the political environment.

Sometimes that corruption is blatant.

The bugging of telephones, the breaking into a psychiatrist's office, the purchasing of witnesses' silence, all were made possible by large sums of money which could be slipped under the table, or into the suitcase—unreported, unaccounted for, and untaxed.

More often, however, the corruption is subtle.

Expensive political campaigns force a candidate for a major office to seek hundreds of thousands and sometimes millions of dollars from private interests.

And much as many of us would like to depend on small contributions by a large number of average citizens, some reliance on the big giver is made politically inescapable by the vast amounts of money needed for a successful campaign.

Individual contributions can range from several thousand dollars for a Senator or a Congressman to hundreds of thousands for a Presidential nominee.

The effect of such contributions on the victorious incumbent is insidious.

He knows his victory was won in part by the generosity of those individuals who made large donations.

If he is an honest man, the incumbent will not let big contributors determine how he is going to vote—one way or another.

But even the honest man finds that he must give something of himself—his time and attention to the big giver's concerns, his sympathetic ear, his willingness to intervene when he can.

Thus political big money imperceptible but inevitably erodes the impartiality of our best men and our best institutions.

It gives the contributor an advantage over the noncontributor in the functioning of our democracy.

It is a growing cancer which can destroy our body politic.

It must be cut out.

But even if big money had no adverse effect on our political process, even if there had never been a Watergate, the need for reform would remain.

The demands and dimensions of political campaigns have become so great that our antiquated system of supporting them through private gifts is simply unacceptable.

It makes no more sense to try to support the election needs of an area like Los Angeles through volunteer contributions than it would be to try to meet the safety needs of Los Angeles with a volunteer fire department.

I used the expression: "Election needs."

Make no mistake about it—we do need political campaigns.

The process by which a candidate presents himself to the public is an integral part of our system.

How a candidate goes about seeking votes to gain office is as crucial an element of our democracy as anything the successful candidate may do when in office.

We would not think of not paying a Congressman with public funds—of forcing him to raise his salary from private, outside sources.

That would compromise him, we say.

Yet we turn right around and expect

that, every 2 years, he will spend a substantial amount of time and energy raising money from wealthy constituents to pay for his reelection effort.

I am not suggesting that a supporter should be prevented from contributing to a candidate.

The popular candidate should be able to realize all the advantages of his broader base of support.

Besides, an outright prohibition on political contributions would violate our basic political freedoms.

But we must reconstruct our archaic political financing system, so that we no longer rely solely or even primarily on private funds to finance ever-more expensive election efforts.

We must establish reasonable limits on campaign spending.

We must develop a program of public financing for a major percentage of the total a candidate is allowed to spend.

We must have a limit on the amount of private contributions any candidate can accept.

We must establish a limit on the amount any one individual can contribute.

And we must clean up the financial disclosure process so that the public can know all pertinent facts about the candidate and his campaign finances.

This is a great deal to accomplish, but I think things look promising for 1973.

The initial major attempt at campaign reform in Congress this year is the Federal Election Campaign Act of 1973, S. 372, introduced by Senator PASTORE.

It is expected that it will be up for Senate debate in July.

In its present form, the Pastore bill makes four major changes in existing campaign and election laws.

First, it repeals the equal time requirements for Presidential and Vice Presidential candidates—a long overdue reform which will permit greater radio and television exposure of the candidates—and will specifically encourage debates by the two major Presidential nominees in 1976.

Second, the existing limit on media and telephone spending is replaced with a total limit on all expenditures by or on behalf of a candidate for any Federal office.

In line with this change, the amount a candidate may spend in the primary and in the general election is set at 25 cents times the voting age population of the geographic area in which the election is held.

Third, a nine-member independent commission is established to enforce and administer the new election law.

The Federal Election Commission, appointed by the President and subject to Senate confirmation, would have no more than five members from any one political party.

It will replace the present structure which assigns supervisory and enforcement functions for Presidential campaigns to the Comptroller General, and for Senate and House campaigns to the Secretary of the Senate and the Clerk of the House respectively.

Finally, all Presidential campaign expenditures in excess of $100 would have to be approved by the candidate's national committee, which in turn would be required to file a report of such expenditures with the commission.

The Pastore bill is a positive continuation of Congress search for effective campaign reform.

But I think it must be made stronger and the following additions, I believe, are essential:

The concept of the Pastore bill requiring certification of political expenditures should be expanded to cover all candidates for Federal elective office.

Each candidate for the Senate and the House should be required to designate a single committee which would be responsible for approving all expenditures in excess of $100 made by or on the candidate's behalf.

The committee should also be required to file the full report of contributions and expenditures with the Federal Election Commision.

This would centralize financial reporting responsibility, and it would end the multiple committees which serve only to confuse and obscure the public's understanding of a campaign's operation.

Contributions by any individual should be limited, I suggest, to $3,000 per candidate.

This should include contributions of personal funds by the candidate and his family.

Under this provision, a husband and wife could jointly contribute $6,000—$3,000 each—to a single campaign, which is certainly a generous donation to any candidate.

Once we achieve public financing of campaigns, I believe the $3,000 limit should be reduced to $100, as I will discuss in a few minutes.

Incidentally, the $3,000 limit would remove political contributions from coverage under Federal gift tax regulations.

There also should be a limit to the total political contributions any one person can make.

Even with a $3,000 per candidate limit, one individual could contribute hundreds of thousands of dollars in an effort to enhance his power and influence.

Therefore, I intend to work in the Senate for $25,000 total limitation on any individual's campaign contributions.

Any contribution in excess of $100 should be made only by check.

Cash contributions are simply too easy to misuse, as Watergate demonstrates.

Public accountability of political funds requires that we get cash out of campaigns.

In addition to these amendments which I hope to see added to the Pastore bill, Congress must insist that the $1 Presidential campaign checkoff be placed on the front page of next year's income tax return—as was the intent of the original law.

The obscure supplemental form used by IRS this year is totally unacceptable.

Putting the checkoff on a separate form, plus the inadequate publicity given to the checkoff effectively subverted the public's knowledge and understanding of the program.

As a consequence, only 3 percent of American taxpayers used the checkoff privilege—which is far below the 8 percent per year needed to raise the money necessary to end Presidential campaign dependence on private funds.

Senator HUMPHREY and Senator MONDALE have been leading the fight to make sure there is no repetition of the inept IRS handling of the checkoff.

They have my full support.

I also believe that we have a chance in this Congress to require complete financial disclosure by all Senators and Congressmen and their top staff.

I am cosponsoring legislation to do this.

Disclosure should include an itemization of all assets and debts, a statement of net worth, and an explanation of all outside income.

Last week pursuant to a request of the Los Angeles Times to all Californians in the Congress, I voluntarily made a full disclosure of my financial status.

But, frankly, I do not believe we should be satisfied with leaving full disclosure to the voluntary decisions of incumbents and candidates.

It should be mandatory—required of all officeholders and candidates on equal terms.

Full disclosure of a candidate's worth and income—subject to meticulous examination by the public and the press—would be one meaningful step toward rebuilding public confidence in their Government.

Beyond these proposals, which I believe can be achieved this year, there remains the one big hurdle which is absolutely essential to any real reform of political campaigning—and that is adequate public financing of all campaigns for Federal office.

Voluntary checkoffs and tax credits are at best halfway measures.

As a Nation we need to understand that political campaigns fulfill a public need which is just as important to the health of our society as police protection or fire protection.

Campaign expenses, in major part, should be financed by appropriations from the public treasury.

I see a better campaign funding system working something like this:

A candidate for the House is limited to spending $90,000 under the Pastore bill.

I propose that a certain percentage of that—say two-thirds or $60,000—should be the Federal contribution.

That money from the U.S. Treasury would be deposited in a trust account in a bank in the candidate's district and administered by a bank trust officer.

Requisitions for payment of campaign expenses would be made by one person designated by the candidate.

These requisitions would be presented to the bank trust officer who would be solely responsible for issuing checks.

The other $30,000 would be raised through private contributions.

Once we adopt a Federal financing system—and I am sure we will in the course of time, if not right now—I believe the limit on an individual's contribution should be lowered from $3,000 to $100 per candidate.

All such contributions would be de-

posited in the same trust account and administered by the same trust officer in the same way he handles the Federal share.

Furthermore, the bank trust officer would be responsible for making the reports of contributions and expenditures required by the act.

A system along these general lines could eliminate most of the major abuses of campaign financing.

But such a major reform has little chance of being voted into law unless there is a substantial increase in public demand for electoral reform.

The stability and strength of our democratic decisionmaking process is a prerequisite for solving every other problem we face as a Nation.

I pledge myself to do all I can to restore that stability—to build that strength—by working in the Senate for reform, and by speaking out to the people of California the need to clean up the way we handle campaign funds.

THE VIETNAM REFUGEE SITUATION

Mr. PELL. Mr. President, Americans have, of course, been deeply divided on the subject of Vietnam, but we have been united in our humanitarian concern for the civilian victims of the long and brutal struggle there. In a country where 48 percent of the population is under the age of 15, it has been inevitable that a large proportion of those victims has been children. Fortunately, with the restoration of a measure of peace in Vietnam, the scenes of bewildered, maimed, and homeless refugees no longer haunt our TV screens. May they never do so again.

But we must not let an attitude of out-of-sight, out-of-mind make us forget the fact that today, despite great effort, there are still some one million Vietnamese refugees, at least half of whom are living in crowded emergency camps under deprived conditions. Children comprise more than 50 percent of the population of these camps.

I was graphically reminded of this yet unhealed war wound, and the magnitude of treatment that it still requires, by a report by the special mission of the International Rescue Committee of New York that examined the refugee situation in Vietnam in April. The report, I believe, objectively describes the problem, measures the needs, and proposes means by which the IRC can make an even more effective contribution to a solution in the fields of resettlement, public health, and child care, especially of war orphans and sick and injured children. Because this commendable report is most pertinent to the Senate's consideration of the allotment of funds for humanitarian relief in Vietnam, I request unanimous consent for excerpts to be printed in the RECORD.

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

EXCERPTS FROM THE REPORT OF THE SPECIAL MISSION TO VIETNAM OF THE INTERNATIONAL RESCUE COMMITTEE

INTRODUCTION

The International Rescue Committee started its refugee relief and resettlement work in Vietnam in 1954, when approximately a million North Vietnamese fled to the South. In recent years, IRC has maintained a broad range of operations for refugees and children including day-care centers, a reception and convalescent center for children undergoing reconstructive surgery, a program for in-home day care, medical and public health projects, and training and community development programs. With the ending of hostilities in Vietnam, it semed advisable that a group of IRC board and staff members visit Vietnam in order to conduct a fact-finding survey of needs and conditions, and then to submit recommendations as to whether IRC's existing operations should be continued, extended, reduced or terminated—bearing in mind future trends and possible developments in both Vietnam and the United States.

The Mission was in Vietnam from April 2-April 14. It consisted of Co-Chairman Angier Biddle Duke and Leonard Marks, Mrs. Angier Biddle Duke, Joseph Buttinger, Anthony Duke, Cecil Lyon, Isadore M. Scott and David Sher. Ambassador Kenneth Keating, a Co-Chairman of the delegation, unfortunately was prevented from accompanying the Mission. However, he was of inestimable assistance in back-stopping the study group and maintaining liaison both here and in Vietnam.

The Mission visited refugee camps in An Loi, Phu Cuong, Long Khanh, Da Nang, Quang Tri, Kontum; day-care centers in Nha Trang and Saigon; the reconstructive surgery hospital of the Children's Medical Relief International and several IRC facilities in Saigon; community development and medical projects. It was briefed by Vietnamese officials, including the Minister of Social Welfare and the Minister of State in Charge of Refugee Resettlement and Rehabilitation, officials of the American Embassy and the United States Agency for International Development (AID), and talked with official and private individuals of varying nationalities in many fields including social service, business, medicine, child care, commerce, diplomacy, churches, the press, etc. The resident IRC staff in Saigon had arranged an inclusive program for the Mission and handled all arrangements for the Mission's work in Vietnam.

Early in its stay the Mission was briefed by Dr. Phan Quang Dan, Minister for Refugee Resettlement and Rehabilitation. Dr. Dan was most anxious that the Mission visit with him Quang Tri, Thua Thien and Quang Nam, the northernmost provinces, where he is actively engaged in resettling refugees in a program which he, personally, considers will prove to be a key to whether or not there is to be peace in Vietnam in the future. Dr. Dan is convinced that during the next few months every effort must be made to forget the trials of the past and to give peace a chance.

REFUGEE CAMPS AND RESETTLEMENT

The tragedy of Vietnam's refugees is a repetition of the tragedy of all uprooted people who have lost their homes, their livelihood and, in many cases, family members. Crowded into emergency camps, deprived of all privacy, they have no roots. The anguish of Vietnam's refugees is especially poignant as the vast majority of them have lived by the soil; now they have no land to cultivate, no communal bond with their fellow villagers. They share one profound hope: to find new roots and begin again. If they lose this hope, they will lose their human dignity. Vietnam's refugee population consists 90% of farmers, 5% of fishermen and 5% of city dwellers.

Some 8 million refugees in a country of 18 million people have been created in Vietnam since the war began. Insofar as official statistics convey an accurate picture of the actual situation, all but approximately one million are considered to have found new homes—some in the communities from which they had been driven, others in new areas because their villages have either been destroyed or occupied by the Viet Cong.

Of the one million "active" refugees in Vietnam today, 653,000 (115,000 families) are living in 109 refugee camps. An additional 200,000 are temporarily sheltered outside of refugee camps; and 260,000 are officially identified as "in-place cease-fire victims," or refugees whose homes have been destroyed since the cease-fire agreement was signed but have found shelter within their own communities.

The top priority facing Vietnam, and private groups providing supporting assistance, is the resettlement of the 653,000 refugees living in camps. Close to 255,000 of them are in the Da Nang area of Quang Nam province, about 80 miles south of the North Vietnamese border; their villages and homes in Quang Tri province, some 70 miles to the North, were reduced to rubble in some of the bitterest fighting of the war. Most of Quang Tri is now occupied by Communist forces.

Among the most deprived groups of refugees are the Montagnards. At least 50,000 of these darker-skinned mountain tribesmen have been driven from their homes and now are crowded into camps in the hot, flat lowlands. The mortality in Montagnard camps runs several times higher than in other camps; these people find it extremely difficult to adjust, physically and mentally, to an entirely new geographical environment, and thousands, especially the children, arrived severely malnourished and debilitated. Many Montagnards spent weeks and months in the jungles escaping from the Viet Cong, and their chances of ultimate survival were greatly diminished.

Binh Duong province is one of the several areas of high refugee concentration inspected by the IRC Mission. Here live 31,000 refugees (6,060 families) in five camps. One of them in the Phu Van refugee center where 20,000 refugees are crowded into 80 shelters. There are 14,000 children among them. As many as eight people sleep on a six-foot square board. There is one water tap for every 5,000 refugees and two 40-watt bulbs for every 250 inhabitants. Both of these items are considered "luxuries" in terms of overall refugee camp standards.

The government of Vietnam has set a target date of one year for the resettlement of the 653,000 in-camp refugees. It hopes to resettle about 40% of the refugees on "new" lands—that is, six million acres of virgin land and one million acres of war-abandoned land. Housing is a major problem, along with a lack of medical and public health facilities, and child care. But the resettlement priority does not diminish the urgent needs of the out-of-camp refugees and the "in-place cease-fire victims." Or of many older, "resettled" refugees who must have aid in order to survive and rebuild their lives.

MEDICINE AND PUBLIC HEALTH

In the course of its fact-finding survey on medical and public health problems in Vietnam, members of the IRC Mission inspected the facilities operated by private and governmental agencies throughout the country. Some of the United States and Vietnamese officials who were consulted include:

Dr. William D. Oldham, in charge of public health and medicine for USAID (Agency for International Development); Dr. Edward P. Irons, deputy to Dr. Oldham; Dr. Isaiah Jackson, chief of public health and medical care; William E. Paupe, chief of plans; Gardner Munro, USAID administrator of children's programs; Norman Firnstahl, responsible for official U.S. activities for refugee relief and rehabilitation; Dr. Tran Nuguon Phieu, the GVN (Government of Vietnam) Minister of Social Welfare, and his principal staff members; Dr. Phan Quang Dan, Minister of State for refugee resettlement; Dr. Tran Minh Tung, Minister of

Health, Administrators, social welfare workers, doctors, nurses and other medical personnel were also consulted in Saigon and during visits in eight provinces.

The work of American voluntary and governmental agencies has been an essential factor in the development of medical care and public health programs during the many years of war. The continuing participation of private groups is vital to the future of Vietnam, which has been held back from solving its problems by 30 years of fighting and destruction. If not for the war, advances by the Vietnamese would have been dramatic.

In the mid-1960's, the primary thrust of both private and governmental agencies was in the area of *medical* care. At that time, there were just over 1,000 Vietnamese physicians in the country, nearly 800 of them in the armed forces. In addition, paramedical personnel ranks were seriously depleted by the war. There are now 2,100 Vietanmese doctors, and 80% of medical care is provided by paramedicals: nurses, health technicians, pharmacists, laboratory and x-ray technicians, medical aides, etc.

By mid-1969, an official program was initiated to consolidate many military and civilian health facilities; at the same time, assisted by USAID and voluntary agencies, health-manpower programs were developed resulting in significant increases in the numbers of physicians, dentists, pharmacists, nurses and other health technicians available for assignment to civilian health facilities.

Because of the increasing Vietnamese capability to assume responsibility for the medical care program, basic priority emphasis of U.S. agencies has shifted to "preventive medicine," mainly self-help efforts to establish safe water supplies, sanitary waste removal and sewage disposal, and a generalized program of environmental sanitation and personal hygiene. A significant step in this new direction is the estabilshment of a new category of health worker for assignment to district-level health facilities, with the responsibility for extending a broad range of health services to rural areas. The training period is three years, and the first class of this new category of medical personnel will be available for assignment in mid-1973.

The offensive in the Spring of 1972 interrupted this shifting of priorities and resources. Provincial hospitals in Binh Long and Quang Tri were completely destroyed in addition to the loss of a Binh Dinh district hospital, 46 district-level maternity-infirmary dispensaries, and more than 150 village-level health facilities.

Today, U.S. health sector activities involve a broad-based advisory participation in health programs, as well as the carrying out of specific project objectives in areas of medical education, training and logistics, public health, preventive medicine, rehabilitation and population/family planning. It is reported that 59 family planning clinics are now operational.

The major U.S. effort in public health and preventive medicine during 1972 and the first part of 1973 was devoted to supportive assistance of the VN Ministry of Health in refugee camps. No significant outbreaks of communicable diseases occurred during this period. Medical training programs resulted in the graduation, during 1972, of 199 new physicians from Saigon University, an additional 26 from Hue University. The training of dentists, nurses and paramedical personnel has also made impressive strides, with broad American support.

It is the conviction of the Mission that the private American factor in the medicine and public health fields is of extreme importance to the Vietnamese people if the massive refugee problem is to be solved. Private American assistance should involve both short-term objectives—such as providing medical, surgical and health services to alleviate immediate refugee problems and suffering—and a longer-term program designed primarily to make it possible for the Vietnamese to assume full responsibility for a rehabilitation program for their country.

THE CHILDREN OF VIETNAM

No group of Vietnamese war victims is in greater need of help than the children, who comprise 48% of the country's 18 million inhabitants. These boys and girls under the age of fifteen have been surrounded by death and violence during their entire lifetime. Among the children, millions, literally, are sick, wounded, orphaned, undernourished, displaced and homeless. The number of Vietnamese children whose American fathers have abandoned them is about 15,000, according to the best figures available to Vietnamese and American authorities. Some estimates run as high as 25,000. The most deprived of this group are the some 1,800 children of black-American fathers.

There is no reliable count of Vietnamese war orphans (those who have lost both or one parent). There are between 300,000 and 700,000 of them. Children make up 50% of the population in refugee camps. Visits by the IRC Mission to many refugee camps make this figure entirely credible. The makeshift shelters, some crammed with a hundred or more refugees, are swarming with children, as are the surrounding outdoor areas and dispensaries (i.e., where a refugee camp is fortunate enough to have a medical facility).

That the children are generally lively, alert and curious, is not due to the aid which has reached them from outside. There has not been very much of that. But in Vietnam, one's existence, even one's personal identity, is submerged by the family. Hence the resilience of the children. It is a common sight to observe a girl of four walking hand-in-hand with two younger siblings; a boy of five carrying a younger sister on his back while he keeps his eye on a still younger brother. One hardly ever sees children quarreling or fighting. A sick child is rarely "left" at a hospital or dispensary by a mother—who will spend the night on a chair beside her child, or more often on the floor, rather than deprive the young one of her presence and personal care.

American observers can only marvel at the behavior of children (generally between the ages of two to six) at day-care centers. They are absorbed in their play and educational activities. The simple but nourishing food has given them back much of their mental and physical health. Good hygienic training has helped in this process of restoration. The warm relationship between supervisory personnel—all of them Vietnamese—is derived from the mutual respect that exists between adults and children. This is a way of life built into the people's culture, requiring no harsh words or discipline.

The IRC Kieu Mau center in Nha Trang, for example, is for pre-school children from three to six. Only needy parents are permitted to enroll children, and at no cost. School hours are from early morning to late afternoon and the curriculum consists of recreational and educational periods, exercise, meals, a shower, nap, general hygiene care and training. The IRC staff consists of a supervisor, three teachers, three caretakers, two cooks and one laborer. An essential benefit of this and other children's centers is that of enabling Vietnamese mothers to work, and thus to support their families. This is extremely important in the case of war widows.

Anthony D. Duke was the member of the IRC Mission who concentrated his attention on the problems of Vietnamese children. Mr. Duke is a founder and President of Boy's Harbor, an organization for disadvantaged and troubled children in the New York area. Some of his observations follow:

When you go to Vietnam, you are quickly impressed with child-preponderance. I discovered this while travelling throughout that war-beleaguered country earlier this month, and for good reason: 48% of the population is under 15 years of age.

Refugee statistics, war-victim figures, in-camp numbers, out-of-camp numbers, resettlement data, the hospitalized, the wounded, the maimed . . . statistics reach out to you from whatever pages you may be studying. But when you visit refugee camps, the numbers come to life, and your memory is indelibly affected by the smiles and laughter and sometimes tears of the children you see and meet. In the camps, the clinics, hospitals, convalescent centers, day-care facilities and home-day-care centers, you meet thousands of hopeful children. Their spirit in general is remarkably good, though it varies with area conditions and is greatly affected by the kind of care available to them and their elders.

IRC's approach and methodology, as observed by me, are outstanding both from a humanistic and technological viewpoint. Each facility I saw had special merit—mainly, it would seem, because of the quality and dedication of personnel and the sensible in-training programs conducted to assist Vietnamese personnel in becoming the eventual operators and in a sense proprietors of each project.

Let me comment on some of the children's facilities I visited while in Vietnam:

The Children's Dispensary in the An Loi Refugee Camp, in Bien Hoa Province, has 16–20 beds, a devoted team of nurses, and IRC supported doctors who visit the dispensary on a regular basis. This camp, with 11,000 Montagnard refugees accustomed to mountain living, is seemingly more crowded than Phu Van. The death rate is higher, I suppose, because here in the hot plains of Bien Hoa these mountaineers find themselves completely out of their element. IRC's Director for Vietnam, Carroll Morris, has a beautiful relationship with staff, refugees and with children wherever he goes. This dispensary takes care of very sick children—their mothers sit and watch them—the Montagnards don't seem to recognize illness until very late in the game; hence the dispensary cares for desperate cases.

At "Mary Lou" Refugee Camp in Kontum we met Dr. Brian Ryan, who looks after thousands of refugee children and also tends the sick at Dr. Pat Smith's 100-bed (with 600–700 patients) hospital. Although going into and through that overly, overly crowded hospital was a cultural shock, I soon learned that lots of human suffering was being alleviated. This hospital, literally bulging with humanity, treats war wounds, TB, plague, and just about every other illness and defect known to man.

The IRC Reception and Convalescent Center for the Barsky Hospital (Children's Medical Relief International) is a remarkable and cheerful place, teeming with children who are being cared for prior to plastic and other surgery, and who convalesce between surgery and going home. There are around 100 young patients there, with every conceivable need for surgery. The atmosphere is extraordinary, and after a while, the visitor notes more the smiling, hopeful eyes of the patients rather than the missing limbs or other serious deformities. Again, I was struck with the quality of all personnel I met.

Vinh Hoi Day Care Center—I visited this excellent center and went over records and case history files and methods employed by Mrs. Phu and others involved.

I also visited two different types of Home Day Care Units. The first was a middle-class family unit, run by a woman who had graduated from a school for Home Day Care Center personnel. The children, eight in number, are fed, clothed, and cared for while their mothers work. Later I visited another Home Day

Care Center with Mrs. Phu and Mr. Morris, this one being in the heart of Saigon's poorest area. Most impressed with the results of IRC's training program for this operation. The in-put here of assistance where needed generates possibilities for parents who otherwise might be totally handicapped.

I met with Dr. Tran Minh Tung, Minister of Health, who particularly commended the Barsky Unit and IRC's Reception and Convalescent Center. He declared the great need for programs to help handicapped children.

Dr. Uyen, head of Planned Parenthood Association of Vietnam, who had formed The Family Happiness Association in 1965, told us that the Association initially used the term "child spacing" instead of "birth control" because of tendency to associate birth control with abortion. In a survey, 80% of people interviewed favored family planning. There are now more than 60 family planning units throughout Vietnam. With the poor, IUD (Inter Uterine Device) is favored. Catholics favor the rhythm method, accept the pill, but don't like IUD, which signifies abortion. Some wives don't like vasectomy because it allows husbands too much sexual freedom.

The principal USAID advisor on children's programs underscored the official position in support of the Vietnamese policy that the best way of helping American-fathered children is to help *all* needy children. The development of community social services, particularly day-care, is extremely important and it is important, he stressed, that IRC should continue its own work.

CONCLUSIONS

The basic conclusions reached by the IRC Mission follow.

1. Although a cease-fire exists in Vietnam, or at least a partial cease-fire, the winding down of hostilities in no sense permits the abandonment of assistance to Vietnam's war victims.

2. The Vietnamese are a spirited and capable people. Given a chance to work in peace, they can develop viable social and economic structures.

3. The Vietnamese people, in order to achieve these goals, must have increased help, especially from the United States which has had so large a role in the war.

4. The nature of such assistance should have as a major underlying objective the encouragement and development of self-sufficiency. Aid should be essentially supportive, not self-perpetuating; only the people themselves can rebuild their own society with their own human resources.

5. An expansion of humanitarian assistance by private American voluntary agencies is of utmost significance.

6. It is the view of the Mission that the funding of the current IRC program for uprooted refugees and children in South Vietnam must be increased to $1,000,000. The expanded program should cover three basic interrelated areas: 1) Refugee resettlement and community development. 2) Public health and medical services. 3) Child care with emphasis on war orphans, sick and wounded children.

THE FUEL SHORTAGE

Mr. FANNIN. Mr. President, the current fuel shortage is a source of great hardship and anxiety around America. The first to feel the effects in my State have been the farmers who are having great difficulty in securing the fuel needed for the cultivation and harvest of crops. These in many cases are farmers who increased their production plans this year in response to the call for more food to feed Americans, and thus cut food costs, and to provide produce for export to help solve our international balance of trade problem.

But the fuel shortage has affected more than just the farmers, and it has brought demands for tangible action to solve our problem. Simply stated, we need quick action to bring additional fuel in the immediate and near future.

One step we can and should take is to get the Trans-Alaskan pipeline underway. It does not need more study—it has been thoroughly studied already. Suggestions that a Canadian pipeline be considered are fine—we can do that after we have the Alaskan pipeline under construction.

Mr. President, the Arizona Republic on Tuesday printed an editorial entitled, "Talk, But No Action." People are getting tired of talk in Congress; they very justifiably want action. I ask unanimous consent that this editorial be printed in the RECORD.

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

TALK, BUT NO ACTION

The so-called "energy crisis"—shortages of electricity and petroleum—now spans nearly a year. Slowly, one metropolitan area after another has suffered power brownouts, and "no gas" signs are common in service stations across the land.

Everybody's talking about it, but who's doing anything about it?

The obstacle to any short-term solutions is that everybody is talking, but doing very little.

One glimmer of hope is in President Nixon's plans to appoint a cabinet-level energy czar to clear the decks of confusion, and make decisions.

There is no want of ideas on what can and should be done—in fact, the ideas form a mountain of paperwork.

Arizona's Congressman John Rhodes charges that antiquated legislative mechanisms make it impossible for the Senate and Congress to focus on any clear cut program.

He reports that in Congress alone, there are 30 committees and subcommittees charged with overseeing energy legislation.

And since Jan. 1, Rhodes reports 414 separate bills have been introduced—almost one per congressman—to regulate or expand energy. Those bills now are in the hands of 26 different committees.

If each is processed according to congressional methods, the tedious and prolonged hearings and re-hearings might last until the nation is plunged into darkness and its mobility brought almost to a halt.

Typical of the snail-pace delays involved is a proposal by Sens. Birch Bayh (D-Ind.) and Walter Mondale (D-Minn.) to halt any actions on the proposed trans-Alaska pipeline for up to 14 months while further studies are made of a new route across Canada.

The Canada routing is folly. It is three times longer, costs are staggering and the Canadian government has shown little enthusiasm—unless 52 per cent ownership is bestowed in Canadian hands. That last condition should frighten enough knowing what political eccentricities could do to the flow of oil.

Ample electricity and petroleum often is portrayed as nothing more than fuel for American gadgetry and status-symbol cars. Far from it.

Power and petroleum are essential in the manufacture of products which are the essence of employment, and, thus, at the heart of America's ability to keep itself busy.

The spongy Washington inability to cut down on talk, and do some bullet-biting with few wasted words, is in desperate need.

The only energy in a pile of legislative proposals is the bonfire it would fuel.

THE NUTRITION FACTOR: ITS ROLE IN NATIONAL DEVELOPMENT

Mr. HOLLINGS. Mr. President, Alan Berg is one of the world's leading authorities on nutrition in less-developed countries. His experiences have ranged from famine relief service in India to a senior fellowship at Brookings Institution. Dr. Berg is currently developing a nutrition program to be used by the World Bank. His most recent book, "The Nutrition Factor: Its Role in National Development," is a milestone achievement linking nutrition to economic and social forces of developing nations. It is a book with which I can strongly identify. Many of his conclusions and recommendations are applicable to our own country, where the effects of hunger and malnutrition continue to stunt the potential of the isolated poor and retard the economic and social development of the nation as a whole.

In the search for solutions to the problem of world poverty, nutrition is gaining the attention of foreign assistance agencies and many governments in developing countries. This study contributes to the search by examining malnutrition as an obstacle to development, by assessing the available means for dealing with it, and by suggesting practical courses of action.

The author moves nutrition out of the laboratory and treats it as an important determinant of human and national performance. Viewing malnutrition as both a consequence and a cause of underdevelopment, he contends that better nutrition of the child is essential to his subsequent contribution to the national economy. He suggests that certain nutritional deficiencies could be eradicated in much of the world. But he says that governments must intervene, much as they do in education—and this will call for new kinds of organization, a new kind of research, and above all a new level of concern. His wide-ranging analysis suggests that many roads are open to planners in low income countries.

I wish to recommend "The Nutrition Factor" as a thoughtful and informative study with an important message for governments of all nations.

I ask unanimous consent to print a review by noted agricultural economist Lester Brown, in the current issue of War on Hunger magazine in the RECORD.

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

REVIEW OF "THE NUTRITION FACTOR" BY ALAN BERG

(Lester R. Brown) *

From time to time one comes across a book which makes a difference. It affects our behaviour, the way in which we think about

*Lester R. Brown, a Senior Fellow with the Overseas Development Council, was formerly Administrator of the International Agricultural Development Service, U.S. Department of Agriculture. He recently authored *World Without Borders* (Random House).

certain things. *Silent Spring* forced us to re-examine our relationship with the environment. *The Cost of Economic Growth* by Mishan helped us to understand that there are negative as well as positive dimensions of continuous economic growth. *Unsafe at Any Speed* by Ralph Nader launched the consumerism movement. *The Nutrition Factor* by Alan Berg may belong in this category.

Thousands of books have been written on nutrition, but few have received much attention outside the nutrition community. *The Nutrition Factor* is an exception; excerpts have already been published as features in the *Saturday Review* and the Sunday *Washington Post*. This attention is not undeserved for this is a book rich in detail, insight and prescription. Central to its thrust is the recognition that adequate nutrition is too important a matter to be left to the nutritionists alone.

The Nutrition Factor represents another major step in a trend which has emerged within the past few years of looking at development in social as well as in economic terms. It reinforces the thinking in *Development Reconsidered* by Owens and Shaw, reviewed earlier in these pages. The opening paragraph in the second chapter dramatizes the human dimensions of malnutrition, "The light of curiosity absent from children's eyes. Twelve-year-olds with the physical stature of eight-year-olds. Youngsters who lack the energy to brush aside flies collecting about the sores on their faces. Agonizingly slow reflexes of adults crossing traffic. Thirty-year-old mothers who look sixty. All are common images in developing countries; all reflect inadequate nutrition; all have societal consequences."

Berg then goes on to describe some of the economic consequences of malnutrition, putting it in terms economic planners must contend with. "Malnutrition adversely affects mental development, physical development, productivity, the span of working years—all of which significantly influence the economic potential of man.

"Malnutrition during the fetal period and in infancy is associated with intellectual impairment. Although the significance is not fully understood, severely malnourished children have brains smaller than average size and have been found to have 15–20 percent fewer brain cells than well-nourished children (of those who had a low birth weight—implying malnutrition in utero—the deficit was 40 percent)."

After assembling evidence that nutrition influences our productivity, our well-being, and the capacity for reaching our inherent potential as human beings, the author addresses the question of how to go about providing adequate nutrition. The traditional or conventional way of doing so was to raise levels of income and productivity within a society to the point where people could afford enough livestock products and sufficient diversity of diet to meet their nutritional needs. The average American, for example, who is more likely to be over-nourished than under-nourished, requires nearly one ton of grain per year to support his dietary habits. Of this ton, only about 150 pounds is consumed directly in the form of bread, pastries and breakfast cereals. The great bulk of the remainder is consumed indirectly in the form of meat, milk and eggs. The average person in the developing countries, with only about 400 pounds of grain per year cannot afford to convert much, if any of this into animal protein. Nearly all must be consumed directly merely to keep body and soul together.

Berg recognizes that the conventional approach to achieving adequate nutrition followed in the industrialized societies has worked reasonably well, but that it has taken an enormous volume of resources, a rather high level of income and above all, a long time. Recognizing the reinforcing nature of poverty, malnutrition and low productivity—poverty begets malnutrition, malnutrition begets low productivity, and low productivity begets poverty—Berg focuses on ways of breaking this cycle. Few stones are left unturned in his search.

Given the sheer impossibility of achieving adequate nutrition via the conventional route for the foreseeable future, the question is what can be done to overcome nutritional deficiencies in the near term. In his search for shortcuts, Berg leaves few stones unturned, examining the Green Revolution, breast feeding practices, the fortification of traditional foods, the use of specially formulated foods (particularly weaning foods) and special feeding programs for vulnerable groups within the population such as pregnant and lactating women, and children during the critical period from 6 to 24 months of age.

Berg makes the case that there is no single strategy applicable to all countries. One must always be conscious of the circumstances—economic, social and political—that prevail in a given country, one must always look for intervention points in the system where changes can be made which will improve nutrition. In a country such as Peru with widespread protein malnutrition and the world's highest per capita catch of fish, an important part of any solution might be simply investments in transportation which would permit the fish to be moved quickly inland where the needy populations are located. In Korea where seasonal shortages of critical nutrients loom large, investments in storage facilities and food preservation might yield a high payoff.

Among the most promising techniques to achieving widespread nutritional improvements in most traditional societies are fortification of foods with vitamins, minerals and essential amino acids, and the genetic improvement of cereals to raise the level and quality of protein content. An endless number of policy levers can be used to improve a nation's nutritional well-being ranging from agricultural price policy to the use of the communications media for nutritional education. Fortunately most of these people are now reached by either the print or electronic media, if not both.

Some broad based trends which are adversely affecting the nutritional status of a significant share of the 2 billion people living in the poor countries are identified in this analysis. One is the tendency in several important countries where food supplies are exceedingly tight for cereals to displace beans, peas and lentils, a group of high-protein foods commonly referred to as pulses, which are of critical importance in societies where consumption of livestock products is low, if not virtually nonexistent. India is an important example of this undesirable trend. In effect, the quest for calories which cereals, particularly the high-yielding varieties yield in the largest quantities, is causing them to displace pulses even though they yield more protein per acre.

Another disturbing trend, apparently influenced by changes in social attitudes, is the pronounced decline in breast feeding among those who are unable to afford adequate alternative sources of nutrients for infants. Berg documents the tragic consequences of this among the world's low income groups and the dramatic decline in breast feeding over the past decade in such countries as Chile, Mexico and the Philippines.

One of the things that makes *The Nutrition Factor* such an exciting new book is that it is written by a pragmatist, one who has himself been for several years deeply immersed in the effort to improve nutrition among that half of the world's people who are poor. This realistic, highly readable book deserves broad dissemination and discussion. Fortunately this will be facilitated by the writing skill of the author and by the fact that its publisher has accommodatingly and wisely published it simultaneously in both cloth and paper cover.

AN ADEQUATE FUEL SUPPLY FOR THE AGRICULTURAL INDUSTRY

Mr. HOLLINGS. Mr. President, on behalf of Senator THURMOND and myself, I would like to bring to the attention of my colleagues a concurrent resolution passed by the South Carolina State Legislature memorializing the Congress to take the necessary action that will assure the agricultural industry of an adequate fuel supply for planting and harvesting.

I am glad that the U.S. Senate shares the concern of my fellow South Carolinians in that I worked hard to see that farmers were given priority in being supplied with fuel in legislation that recently passed the Senate. The economic impact of the farmer's plight is of great concern to us all. In South Carolina and all across the Nation, farmers are unable to get gasoline to run their tractors and to process their crops. Without some immediate action, many crops will rot while the prices of food skyrocket. We have already seen crops go wasting in the Midwest and the outlook for the future is not promising.

I have been working with the Department of the Interior and the Office of Emergency Preparedness to make adequate fuel available to farmers. The agencies have assured me that they are monitoring the fuel situation and I have been assisting in this matter by contacting the agencies concerning individual problems as I become aware of them. There is no doubt that an emergency situation exists and we must all work together to help solve the problem.

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:

A concurrent resolution memorializing the Congress of the United States to take the necessary action to assure that the agricultural industry shall be provided with adequate fuel for planting and harvesting

Whereas, natural disasters and other contributing factors have resulted in a shortage in many agricultural products, and especially in feed products; and

Whereas, these shortages have greatly affected the cost of living for all Americans; and

Whereas, the fuel shortage, be it actual or contrived, has complicated the planting and harvesting of foods and feed products; and

Whereas, it is most expedient that the agricultural industry be assured an adequate supply of fuels. Now, therefore, Be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States is memorialized to take appropriate action to assure that the agricultural industry of America shall be supplied with adequate fuels for the planting and harvesting of food and feed products.

Be it further resolved that a copy of this resolution be forwarded to the President of the United States Senate, the Speaker of the House of Representatives, and each member of the South Carolina Congressional Delegation in Washington, D.C.

MORE FEDERAL FUNDS NEEDED IN OCEANOGRAPHY

Mr. HOLLINGS. Mr. President, the recent tragedy involving a research minisub off the Florida coast has prompted

some serious reevaluation of our Nation's commitment to a sound oceans program in balance with our national priorities.

Recently, Mr. John Perry, one of this Nation's pioneering spirits in the oceanography field, stated his belief that we must dedicate more Federal funds to a national need in the oceans.

I ask unanimous consent that an Associated Press account of comments by Mr. Perry, as it appeared in the June 24 edition of the Charleston News and Courier, be printed in its entirety in the RECORD.

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

SUB BUILDER SAYS SPACE FUNDS NEEDED FOR OCEAN

PALM BEACH, FLA.—The billions spent on space at the expense of oceanographic research are at least partially to blame for the deaths of two scientists in a midget submarine, according to a noted research submarine builder.

John Perry, president of Perry Oceanographics Inc., made his comments at the end of a week which saw the dramatic deaths of the two men and the triumphant return of three astronauts from the first phase of the Skylab space program.

"I hope the tragedy off Key West will jolt the nation into an awareness of the need for a revived and realistic interest in exploration of man's neglected asset: the ocean," Perry said.

"An urgent new sense of taxpayer realism is needed. Many of the billions shot into outer space could have more sensibly been spent in learning about an asset of more intrinsic value, the oceans, something at our doorstep and not a million miles away."

Space officials at the Johnson Space Center said they feel Perry is unfair in his comments on space research.

A NASA spokesman noted that the agency has spent millions on oceanographic research itself, including its Nimbus and Earth Resources satellite programs whose studies include ocean currents, fishing grounds and the location of undersea mineral deposits.

The Skylab program, which ended its first phase with the return of three astronauts to earth Friday, also has ocean research as one of its primary goals, the spokesman said.

Two scientists died a slow death of carbon dioxide poisoning early last week while their midget research submarine was trapped 351 feet deep in the Atlantic Ocean by the wreckage of a scuttled destroyer.

When the Johnson-Sea Link was raised after 31 hours of frantic efforts by rescuers, Clayton Link, 31, son of the minisub's inventor, and Albert Stover, 51, veteran submarine pilot and underwater survival expert, were dead. Two others survived.

Perry sent two minisubs to aid the effort, and although one tried to free the Sea Link with external claw arms, the effort failed.

"All of us must accept partial responsibility in this tragedy because we stood by uncomplaining while our government wasted vast sums and ignored our most valuable asset," he said.

Stover worked for Perry from 1969 until two months before his death as the head of Perry's submarine leasing and operations division.

Perry, a millionaire former newspaper publisher who built his first minisub in 1955, joined forces with Edwin A. Link in 1966 to build the Deep Diver. Deep Diver was the first civilian submersible with the capability to allow divers to enter and leave at great depths.

Since 1966, Perry's firm and its affiliates have built 40 small submarines and numerous underwater laboratories and other oceanic hardware.

Perry was a member of a 15-man commission appointed by the late President Johnson to prepare a national ocean exploitation program. That commission developed the National Oceanic and Atmospheric Administration (NOAA), America's ocean and weather research agency.

"One of the Washington tragedies has been the hobbling of NOAA. The NOAA man-in-the-sea program has been virtually decimated. They asked for $3 million and are getting $1 million," he said.

He said the nation will eventually spend some $2 billion on the Skylab space program, but ocean research is being left almost entirely to private enterprise.

"Our oceans are polluted. Fish life is contaminated and depleted. Recreational beachfronts are disappearing. Hurricanes spawned at sea range uncontrolled over the land. The Gulf Stream, the world's greatest river, is an energy source untapped when an energy crisis is upon us," Perry said.

"I think we could get more for our money by trying to solve problems in the sea than learning how long ago the moon was born."

INCOME TAX RETURN OF SENATOR AND MRS. HASKELL

Mr. HASKELL. Mr. President, I cannot blame the American people for a certain feeling of distrust toward those who run their Government. When the Nation is confronted by stories of financial wheelings and dealings, including allegations of financial chicanery at the highest levels of our Government. I too, cannot help but share this feeling held by many Americans.

Conducting government in the open is part of the way to dispel this distrust. And this means that those of us in public life must set an example and conduct our personal affairs in the most open manner possible.

Because I feel this obligation, I have decided to cosponsor legislation introduced earlier this session by my colleagues from New Jersey, Senator CASE, and from Michigan, Senator HART. The legislation, S. 405, requires disclosure of financial interests by those serving the Government who earn more than $20,000 in any given year. It also requires disclosure by candidates for seats in the Congress. I am not entirely certain that the $20,000 figure is the best "cut off" point but do believe the legislation is a definite step in the right direction and will be modified as needed once it is given committee consideration.

Disclosure of financial information by political figures is essential if we are to regain the trust of the American people.

Because I believe in the concept of financial disclosure legislation I have chosen to make a copy of my 1972 tax return available for public scrutiny.

Mr. President, I ask unanimous consent that a copy of my tax return be printed in the RECORD.

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

FORM 1040—U.S. INDIVIDUAL INCOME TAX RETURN

(For the year January 1-December 31, 1972)

Floyd K. and Eileen N. Haskell, [redacted]; 2707 Williamette Lane, Littleton, Colorado 81021.

Occupation: Yours, Attorney-U.S. Senator; Wife's Housewife.

Filing Status—check only one:

2. Married filing joint return (even if only one had income).

EXEMPTIONS

6. Yourself.
7. Wife (husband).
Number of boxes checked, 2.
8. First names of your dependent children who lived with you: Pamela.
10. Total exemptions claimed, 3.

INCOME

12a Dividends, $21,210.18.
12b Less exclusion, $133.60.
12c Balance, $21,076.58.
13. Interest income $4,069.18.
14. Income other than wages, dividends, and interest (from line 45), $85,613.50.
15. Total (add lines 11, 12c, 13 and 14) $110,759.26.
16. Adjustments to income (such as "sick pay," moving expenses, etc. from line 50), $868.21.
17. Subtract line 16 from line 15 (adjusted gross income), $109,891.05.

TAX, PAYMENTS AND CREDITS

18. Tax, check if from: Form 4726, $42,590.53.
20. Income tax (subtract line 19 from line 18), $42,590.53.
21. Other taxes (from line 67), $675.00
22. Total (add lines 20 and 21), $43,265.53.
24. 1972 Estimated tax payments (include amount allowed as credit from 1971 return), $37,000.00.
27. Total (add lines 23, 24, 25, and 26), $37,000.00.

BALANCE DUE OR REFUND

28. If line 22 is larger than line 27, enter balance due IRS, $6,265.53.

PART I.—INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

35. Business income (or loss) (attach Schedule C), $77,902.37.
36. Net gain (or loss) from sale or exchange of capital assets (attach Schedule D), $4,497.94.
38. Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E), $3,186.60.
44. Other (state nature and source), collect on acct. rec. from prior partnership, $26.59.
45. Total (add lines 35 through 44). Enter here and on line 14, $85,613.50.

PART II.—ADJUSTMENTS TO INCOME

47. Moving expense (attach Form 3903), $186.00.
48. Employee business expense (attach Form 2106 or other statement), $682.21.
50. Total adjustments (add lines 46, 47, 48, and 49). Enter here and on line 16, $868.21.

PART III.—TAX COMPUTATION (DO NOT USE THIS PART IF YOU USE TAX TABLES 1–12 TO FIND YOUR TAX)

51. Adjusted gross income (from line 17), $109,891.05.
52. (a) If you do itemize deductions, enter total from Schedule A, line 40 and attach Schedule A; (b) If you do not itemize deductions, enter 15% of line 51, but do NOT enter more than $2,000. ($1,000 if line 3 is checked), $10,060.93.
53. Subtract line 52 from line 51, $99,830.12.
54. Multiply total number of exemptions claimed on line 10, by $750, $2,250.00.
55. Taxable income. Subtract line 54 from line 53, $97,580.12.

PART V.—OTHER TAXES

62. Self-employment tax (attach Schedule SE), $675.00.
67. Total (add lines 62, 63, 64, 65, and 66). Enter here and on line 21, $675.00.

FORM 2106—EMPLOYEE BUSINESS EXPENSES, 1972

Floyd K. Haskell, [redacted].

Occupation in which expenses were incurred. See note below.

Employer's name: See note below.
Employer's address: See note below.

PART I.—EMPLOYEE BUSINESS EXPENSES WHICH ARE DEDUCTIBLE IN COMPUTING ADJUSTED GROSS INCOME ON LINE 17, FORM 1040

1. Travel expenses while away from home on business (number of days—):
(b) Meals and lodging, $682.21.
Total travel expenses, $682.21.
7. Excess expenses (line 5 less line 6). Enter here and include in line 48, Form 1040, $682.21.

Note: Taxpayer was newly elected United States Senator from the State of Colorado in November 1972. The deduction taken on this form reflects hotel and apartment rental expenses incurred by the Senator-elect in November and December, 1972 for lodging in the District of Columbia. No deduction has been taken for meals during this period.

FORM 3903—MOVING EXPENSE ADJUSTMENT, 1972

Floyd K. and Eileen N. Haskell, Social security number [redacted].

(a) What is the distance from your former residence to your new business location? Approx. 1,500 miles.
(b) What is the distance from your former residence to your former business location? Approx. 25 miles.

1. Transportation expenses to move household goods and personal effects. Expenses of packing preparatory to moving some household effects from Colorado to District of Columbia, $186.00.
11. Total moving expenses (Add lines 1, 2, 10(a) and 10(b).), $186.00.

Note: See explanation on Form 2106.

INSTRUCTIONS

A. Who May Deduct Moving Expenses.—An employee or self-employed individual may deduct reasonable moving expenses paid or incurred during the taxable year in connection with his move to new principal place of work.

The deduction is allowed only if (a) the change in job locations has added at least 50 miles to the distance to work from the old residence, or (b) if there was no former principal place of work, the new principal place of work is at least 50 miles from the former residence. The distance between two points shall be the shortest of the more commonly traveled routes between the two points.

Also, the deduction is allowed only if either (a) during the 12-month period immediately following arrival in the general location of the new principal place of work the taxpayer is a full-time employee during at least 39 weeks, or (b) during the 24-month period immediately following arrival in the general location * * * self-employed on a full-time basis during at least 78 weeks of which not less than 39 weeks are during the 12-month period following arrival.

B. The 39 Week/78 Week Test.—The 39 week/78 week test referred to in instruction A may be disregarded if it is terminated because of death, disability, involuntary separation from employment (other than for willful misconduct) or transfer for the benefit of an employer.

If the 39 week/78 week test has not been satisfied before the time for filing the return for the taxable year in which moving expenses were paid or incurred, but will later be satisfied, moving expenses may still be deducted in the year when paid or incurred.

If, however, the 39 week/78 week test is not satisfied at the close of a later taxable year, then an amount equal to the deduction for moving expenses taken in the prior year shall be included in income for the first such later taxable year; unless, an amended return is filed for the year in which the deduction is eliminated.

C. Deductible Moving Expenses.—

(1) *Expenses Not Subject to a Dollar Limitation, lines 1 and 2.*—These types of expenses are as follows:

(a) Expenses for the movement of household goods and personal effects from the former residence to the new residence, and

(b) Traveling expenses (including meals and lodging) from the former residence to the new place of residence (not to be confused with other traveling expenses, explained below).

(2) *Expenses Subject to a Dollar Limitation, lines 3, 4, 6, and 7.*—These types of expenses are as follows:

(a) Traveling expenses (including meals and lodging) after obtaining employment, from the former residence to the general location of the new principal place of work and return, for the primary purpose of finding a new residence,

(b) Meals and lodging expenses while occupying temporary quarters in the general location of the new principal place of work during any period of 30 consecutive days after obtaining employment, and

(c) Qualified expenses attributable to the sale, purchase, or lease of a residence. These types of expenses are subject to an overall per move limitation of $2,500, of which the expenses described in C2(a) and C2(b) cannot exceed $1,000. If expenses described in C2 total more than $2,500, you should allocate as much of the C2(a) and C2(b) expenses (line 10(a)) to your per move limitation as possible. The reason for this is that unused C2(c) expenses can be used to reduce the realized gain on the sale of your residence or to increase the basis of your new residence or both. If you do not use the C2(a) and C2(b) expenses as a moving expense deduction, you cannot deduct them.

In the case of a taxpayer and his (her) wife (husband) who both commence work at new principal places of work during the taxable year, the two commencements will be considered a single commencement of work, for purposes of assigning the dollar limitations in C(2), if as of the * * * shared the same new residence. If they file separate returns, these types of expenses are subject to an overall per move limitation of $1,250, of which the expenses described in C(2)(a) and C(2)(b) cannot exceed $500. However, if the taxpayer and his (her) wife (husband) have not shared the same new residence nor made specific plans to share the same new residence within a determinable time, the separate commencements of work will be considered separately. If they file separate returns, these types of expenses are subject to an overall per move limitation of $2,500, of which the expenses described in C(2)(a) and C(2)(b) cannot exceed $1,000. If they file a joint return, these types of expenses are subject to an overall per move limitation of $5,000, of which the expense described in C(2)(a) and C(2)(b) cannot exceed $2,000.

D. "Reasonableness" of Moving Expenses.—The term "moving expenses" includes only those expenses that are reasonable under the circumstances of the particular move. Expenses related to members of the taxpayer's household include only those expenses for members who have both the taxpayer's former residence and his new residence as their principal place of abode. Members of tne taxpayer's household generally do not include, for example, a servant, governess, chauffeur, nurse, valet, etc.

E. Household Goods and Personal Effects.—Expenses of moving household goods and personal effects from the taxpayer's former residence to his new residence include the actual cost of transportation or hauling, packing and crating, in-transit storage, and insurance.

F. Travelling Expenses from the Taxpayer's Former Residence to His New Residence.—These include the cost of transportation, meals, and lodging (including costs for the date of arrival). The deduction for traveling expenses from the taxpayer's former residence to his new residence is allowable for only one trip. However, it is not necessary that the taxpayer and all members of his household travel together or at the same time. To compute the cost of transportation in cases where the taxpayer uses his own car, see Instruction G below.

G. Traveling Expenses, after Obtaining Employment, from the Former Residence to the General Location of the New Principal Place of Work, and Return, for the Principal Purpose of Searching for a New Residence.—Traveling expenses are deductible only if (1) the trip is begun after the taxpayer has obtained employment in the general location of the new principal place of work; (2) the taxpayer returns to his former residence after searching for a new residence in the general location of the new principal place of work; and (3) the taxpayer's principal purpose in traveling to the general location of the new principal place of work is to search for a new residence.

If a taxpayer uses his own automobile for this transportation, he can compute the transportation expenses in either of two ways: (1) Actual out-of-pocket expenses. For example, gasoline, oil, repairs, etc. Or (2) at a rate of six cents a mile. If out-of-pocket expenses are claimed, an adequate record must be kept to verify amounts. If the optional method of six cents a mile is used, attach a schedule verifying the mileage.

H. Expenses of Meals and Lodging while Occupying Temporary Quarters.—These are deductible for any 30 consecutive days after the taxpayer has obtained employment in the general location of the new principal place of work.

1. Qualified Expenses Attributed to the Sale, Purchase or Lease of a Residence.—This term means only those reasonable expenses (such as, sales commissions, advertising expenses, attorney and legal fees, title fees, escrow fees, and State transfer taxes) incident to (a) the sale or exchange of the former residence (not including expenses for work performed on the residence to assist in its sale) which would be taken into account in determining the amount realized on the sale or exchange; (b) the purchase of a new residence which otherwise would be included in (i) the adjusted basis of the new residence, or (ii) the cost of the loan (but not including payments or prepayments of interest); (c) the settlement of an unexpired lease on property used as a former residence; or (d) the acquisition of a lease on property which will become the new residence (excluding payments or prepayments of rent).

J. Nondeductible Expenses.—Moving expenses do not include, for example, any loss incurred on the sale, exchange, or other disposition of property, mortgage penalties, cost of refitting rugs or draperies, losses due to the disposal of memberships in clubs, tuition, and similar items.

K. Self-employed individuals.—A self-employed individual is defined as one who performs personal services as (a) the owner of the entire interest in an unincorporated trade or business, or (b) a partner in a partnership carrying on a trade or business.

For expenses to be deducted on lines 3 and 4 by a self-employed person, the condition of having obtained employment is met when substantial arrangements have been made to commence work.

L. Reimbursements and Allowances.—All reimbursements and allowances for moving expenses must be included in income. In general, an employee will find such reimbursements and allowances included in his Form W–2. However, if there is doubt, he should check with his employer. Line 12 is provided for the reporting of reimbursements

and allowances if such items are not included elsewhere on Form 1040 or related schedules.

M. No Double Benefits.—The amount realized on the sale of the old residence shall not be reduced by any expenses included in line 6, and the basis of the new residence shall not be increased by the amount of any expenses included in line 7. If such expenses are included in income because some condition for the allowance of this deduction has not been met, an appropriate adjustment to the selling price and/or basis may be made.

FORM 4726—MAXIMUM TAX ON EARNED INCOME, 1972

Floyd K. and Eileen N. Haskell, identifying number [redacted].

1. Earned income (see instructions, $130,023.70.
2. Deductions (see instructions), $52,989.54.
3. Earned net income. Subtract line 2 from line 1, $77,034.16.
4. Enter your adjusted gross income, $109,891.05.
5. Divide the amount on line 3 by the amount on line 5. Enter percentage result here, but not more than 100%, 70%.
6. Enter you taxable income, $97,580.12.
7. Multiply the amount on line 6 by the percentage on line 5, $68,306.08.
8a. Enter the larger of either (1) the total of your 1972 items of tax preference or (2) one-third of the total of your tax preference items for 1970, 1971, and 1972, ———.
8b. Less, $30,000.
8c. Subtract line 8b from line 8a, ———.
9. Earned taxable income. Subtract line 8c from line 7 (see instructions), $68,306.08.
10. If: you checked line 2 or 5, Form 1040, enter $52,000, $52,000.00.
11. Subtract line 10 from line 9 (if zero or less, do not complete rest of form) $16,306.08.
12. Enter 50% of line 11, $8,153.04.
13. Tax on amount on line (use Tax Rate Schedule in Form 1040 (or Form 1041) Instr.), $43,728.07.
14. Tax on amount on line 9 (use Tax Rate Schedule in Form 1040 (or Form 1041) Instr), $26,788.34.
15. Subtract line 14 from line 13, $16,828.48.
16. If the amount on line 10 is: $52,000, enter $18,060, $18,060.00.
17. Add lines 12, 15, and 16. This is your maximum tax. Enter here and on line 18, Form 1040 (or line 24, Form 1041); however, if you had net long-term capital gains in excess of net short-term capital loss, complete Computation of Alternative Tax below, -$43,041.52.

COMPUTATION OF ALTERNATIVE TAX

18. Amount from line 6, $97,580.12.
19. Amount from Schedule D (Form 1040), line 15(a) (or line 20, page 1, Form 1041), $4,497.94.
20. Subtract line 19 from line 18, $93,082.18.
21. Enter smaller of amount on Sch. D (Form 1040), line 13 or 14 (or enter amount from Sch. D (Form 1041), line 17(e)), $8,995.88.
29. Tax on amount on line 20 (use Tax Rate Schedule in Form 1040 (or 1041) instructions), $41,028.11.
30. Subtract line 29 from line 13, $2,699.96.
31. Subtract line 30 from line 17, $40,341.56.
32. If the block on line 21 or 23 is checked, enter 50% of line 19; otherwise, enter 25% of line 23, $2,248.97.
33. Alternative tax, add lines 28 (if applicable), 31, and 32, $42,590.53.
34. Enter here and on line 18, Form 1040 (or line 24 or 25, whichever is applicable, Form 1041), the amount on line 17 or line 33, whichever is smaller, $42,590.53.

INSTRUCTIONS

(References are to the Internal Revenue Code)

Line 1—Earned income.—"Earned income" generally means wages, salaries, professional fees, bonuses, commissions on sales or on insurance premiums, tips, and other amounts received as compensation for personal services actually rendered. It includes prizes and awards (other than gambling gains), group-term life insurance purchased for employees that are includible in gross income, and amounts includible in gross income under section 83.

If you perform personal services for a corporation, "earned income" means only that portion of income received from the corporation that represents a reasonable allowance for salaries and other compensation for personal services actually rendered. It also includes gains (other than capital gains) and net earnings derived from the sale or other disposition of, the transfer of any interest in, or the licensing of the use of property (other than goodwill) if your personal efforts created such property.

The entire amount you receive for the performance of professional services, such as services performed by a doctor, dentist, lawyer, architect, or accountant, will be treated as earned income if you are individually and personally responsible for the services performed, even though you employ assistants to perform all or part of such services.

If you are engaged in a noncorporate trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance (but not more than 30% of your share of net profits of such trade or business) will be considered to be earned income. See section 1.1348–3(a)(3) of the regulations for rules on earned income from business in which capital is material.

For rules relating to income in respect of a decedent, see section 1.1348–3(a)(4) of the regulations.

If you are a *nonresident alien*, "earned income" includes only income from sources within the United States that is effectively connected with the conduct of a trade or business in the United States.

"Earned income" does not include such income as dividends (including amounts treated as dividends by reason of section 1373(b) and Income Tax Regulations section 1.373–1), other distributions of corporate earnings and profits, gambling gains, or gains treated as capital gains under chapter 1 of the code.

"Earned income" does not include any distribution to which sections 72(m)(5), 72(n), 402(a)(2), or 403(a)(2)(A) apply, or any deferred compensation within the meaning of section 404. "Deferred compensation" for this purpose does not include any amount received before the end of the taxable year following the first taxable year of the recipient in which his right to receive such amount is not subject to a substantial risk of forfeiture.

Section 72(m)(5) deals with premature or excessive distributions from a qualified employees' pension plan or trust to an employee who is (or was) also an owner of the business.

Sections 72(n) 420(a)(2), 403(a)(2)(A) deal with certain lump-sum distributions from qualified plans that are treated as capital gains or are subject to special averaging rules.

See section 1.1348–3(a)(5) of the regulations for exceptions to definition of earned income.

See section 1.1348–3(b) of the regulations for definition and examples of deferred compensation.

If you are a nonresident alien, "earned income" does not include salaries, wages, compensations, remunerations, emoluments, and other fixed or determinable annual or periodic gains, profits and income subject to tax at the rate of 30 percent (or lower treaty rate) under section 871(a)(1)(A).

Line 2—Deductions.—Include on this line any deductions that are required to be taken into account under section 62 in determining adjusted gross income and are properly allocable to or chargeable against earned income. Such deductions include:

(1) deductions attributable to a trade or business from which earned income is or may be derived,

(2) expenses paid or incurred in connection with the performance of services as an employee,

(3) deductions allowable by sections 404 (employer contributions to an employer's trust or annuity plan) and 405(c) (employer contributions to qualified bond purchase plans),

(4) deductions allowable by section 217 (moving expense),

(5) deductions allowable by section 1379(b)(3) (employer contributions to qualified pension, etc., plans), and

(6) a net operating loss deduction to the extent that the net operating losses carried to the taxable year are properly allocable to or chargeable against earned income. See section 1.1348–2(d)(2)(vi) of the regulations for more information on net operating loss deduction.

Line 8—Tax preference offset.—See section 1.1348–2(d)(3) of the regulations for detailed information concerning items of tax preference to be taken into account to determine the tax preference offset.

Line 9—Earned taxable income.—"Earned taxable income" means the excess of the portion of taxable income attributable to earned net income over the tax preference offset.

See section 1.1348–2(d)(4) of the regulations for illustrations showing computation of earned taxable income.

Note: If short period return, see section 1.1348–2(c) of the regulations.

SCHEDULES A AND B—ITEMIZED DEDUCTIONS AND DIVIDEND AND INTEREST INCOME, 1972

Floyd K. and Eileen N. Haskell.

Your [redacted].

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1. One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below), $150.00.
10. Total deductible medical and dental expenses (Add lines 1 and 9. Enter here and on line 33, below.), $150.00.

Taxes:

11. Real estate, $1,630.32.
12. State and local gasoline (see gas tax tables), $26.00.
13. General sales (see sales tax tables), $391.00.
14. State and local income, $4,375.44.
15. Personal property, $52.12.
17. Total taxes (Add lines 11 through 16. Enter here and on line 34, below.), $6,474.88.

Contributions.—Cash — including checks, money orders, etc. (Itemize—see instructions on page 11 for examples.)

See Schedule 3 hereto.

21. Total contributions (Add lines 18, 19, and 20. Enter here and on line 35, below.), $1,758.25.

Interest expense:

24. Other (Itemize) Colo. Gift Tax Def., $7.28.

1969 Fed. Income Tax Def., $454.80.

1969 Colo. Income Tax Def., $39.18.

Loan—Chem Bk. & Trust Co., NYC, $463.04.

25. Total interest expense (Add lines 22, 23, and 24. Enter here and on line 36, below.), $964.30.

Casualty or theft loss(es):

28. $100 limitation, $100.00.

Miscellaneous deductions for alimony, union dues, etc. (see instructions on page 13):

Chemical Bank NY Trust Co.:

(A) Cust. Fee–Allocated, $633.50.

(B) Inc. Tax Prep. Fee, $80.00.

32. Total miscellaneous deductions (Enter here and on line 39, below), $713.50.

SUMMARY OF ITEMIZED DEDUCTIONS

33. Total deductible medical and dental expenses (from line 10), $150.00.

34. Total taxes (from line 17), $6,474.88.

35. Total contributions (from line 21), $1,758.25.

36. Total interest expense (from line 25), $964.30

39. Total miscellaneous deductions (from line 32), $713.50.

40. Total itemized deductions. (Add lines 33 through 39. Enter here and on Form 1040, line 52.), $10,060.93.

PART I DIVIDEND INCOME

Note: If gross dividends (including capital gain distributions) and other distributions on stock are $200 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 12a (see note below).

1. Gross dividends (including capital gain distributions) and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly).

(H) Sheridan S&L Assn. (dividend on permanent stock), $33.60.

(W) See Schedule 4, $21,743.70.

2. Total of line 1, $21,777.30.

4. Nontaxable distributions (see instructions on page 13), $567.12.

5. Total (add lines 3 and 4), $567.12.

6. Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 12a, $21,210.18.

PART II INTEREST INCOME

Note: If interest is $200 or less, do not complete this part. But enter amount of interest received on Form 1040, line 13.

7. Interest includes earnings from savings and loan associations, mutual savings banks cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 13). (List payers and amounts).

Midland S&L Assn., $267.25.

Mile High Circle S&L Assn., $245.05.

U.S. Treasury Bonds See Schedule 4, $3,556.88.

8. Total interest income. Enter here and on Form 1040, line 13, $4,069.18.

SCHEDULE 3.—*Charitable contributions*

St. Mary's Church	$1,575.50
Churchwomen of St. Mary's	28.25
Harvard College Fund	100.00
Harvard Class of '37 Fund	100.00
Children's Hospital	50.00
Hebrew Educational Alliance	75.00
United Negro College Fund	25.00
Miscellaneous	27.50
Total	1,981.25

EILEEN N. HASKELL

Date	Security	Symbol	Amount
Feb. 15, 1972	U.S. Treasury	00	
Do	3½ percent due Feb. 15, 1990	00	
Do	Interest	00	$1,015.00
May 17, 1972	U.S. savings bond series E, dated July 1, 1944	00	
Do	U.S. savings bond series E, dated Dec. 1, 1942	00	
Do	U.S. savings bond series E, dated Sept. 1, 1943	00	
Do	U.S. savings bond series E, dated Dec. 1, 1944	00	
Do	Accrued interest on redemption	00	339.36
Do	do	00	618.50
Do	do	00	240.00
Do	do	00	329.52
Aug. 15, 1972	U.S. Treasury	00	
Do	3½ percent due Feb. 15, 1990	00	
Do	Interest	00	1,015.00
Total			3,558.85
Jan. 3, 1972	American Telephone & Telegraph Co., common $16⅔ par.	01	
Do	Dividend, 60	01	97.50
Do	Chemical New York Corp., common $12 par	01	
Do	Dividend, 60	01	180.00
Jan. 17, 1972	Pacific Gas & Electric Co., common $10 par	01	
Do	Dividend, 60	01	328.00
Jan. 20, 1972	Bankers Trust New York Corp., common $10 par	01	
Do	Dividend, 60	01	35.50
Jan. 24, 1972	General Electric Co., common	01	
Do	Dividend, 60	01	175.00
Feb. 1, 1972	Commonwealth Edison Co., common $12.50 par	01	
Do	Dividend, 60	01	110.00
Do	Public Service Co. of Colorado, common $5 par	01	
Do	Dividend, 60	01	247.52
Do	American Natural Gas Co., common $10 par	01	
Do	Dividend, 60	01	151.25
Do	Northern Illinois Gas, common $5 par	01	
Do	Dividend, 60	01	42.72
Do	RCA Corp., common no par	01	
Do	Dividend, 60	01	76.50
Feb. 15, 1972	Cleveland Electric Illuminating Co	01	
Do	Common no par	01	
Do	Dividend, 60	01	91.20
Do	Procter & Gamble Co., common no par	01	
Do	Dividend, 60	01	150.00
Mar. 1, 1972	Westinghouse Electric Corp., common	01	
Do	Dividend, 60	01	70.20
Do	Pabst Brewing Co., common no par	01	
Do	Dividend, 60	01	.80
Do	Gulf Oil Corp., Common no par	01	
Do	Dividend, 60	01	562.50
Do	Mobil Oil Corp., Common $7.50 par	01	
Do	Dividend, 60	01	487.50
Do	Standard Oil Co. of Ind., Common $12.50 par	01	
Do	Dividend, 60	01	444.91
Do	Standard Oil Co., N.J., Common $7 par	01	
Do	Dividend, 60	01	570.00
Do	Texaco, Inc., Common $6.25 par	01	
Do	Dividend, 60	01	244.02
Do	Allied Chemical Corp., Common $9 par	01	
Do	Dividend, 60	01	94.20
Do	General Motors Corp., Common $1.66⅔ par	01	
Do	Dividend, 60	01	425.00
Do	Warner-Lambert Co., Common $1 par	01	
Do	Dividend, 60	01	118.95
Mar. 15, 1972	E. I. du Pont de Nemours & Co., Common $5 par	01	
Do	Dividend, 60	01	125.00
Do	Continental Corp	01	
Do	$2.50 Coml Conv PFD service A $4 par	01	
Do	Dividend, 60	01	45.00
Do	Continental Corp., common $2 par	01	
Do	Dividend, 60	01	316.50
Mar 30, 1972	American Cyanamid Co., common $5 par	01	
Do	Dividend, 60	01	62.50
Apr. 3, 1972	American Telephone & Telegraph Co., common $16⅔ par	01	
Do	Dividend, 60	01	97.50
Do	Chemical New York Corp. common $12 par	01	
Do	Dividend 60	01	180.00
Apr. 17, 1972	Pacific Gas & Electric Co., common $10 par	01	
Do	Dividend, 60	01	344.00
Apr. 20, 1972	Bankers Trust New York Corp., common $10 par	01	
Do	Dividend, 60	01	$35.50
Apr. 24, 1972	General Electric Co., common	01	
Do	Dividend, 60	01	175.00
May 1, 1972	Commonwealth Edison Co., common $12.50 par	01	
Do	Dividend, 60	01	110.00
Do	Public Service Co. of Colorado, common $5 par	01	
Do	Dividend, 60	01	247.52
Do	American Natural Gas Co., common $10 par	01	
Do	Dividend, 60	10	158.13
Do	Northern Illinois Gas, common $5 par	01	
Do	Dividend, 60	01	43.68
Do	RCA Corp., common, no par	01	
Do	Dividend, 60	01	76.50
May 15, 1972	Cleveland Electric Illuminating Co	01	
Do	Common, no par	01	
Do	Dividend, 60	01	91.20
Do	Procter & Gamble Co., common, no par	01	
Do	Dividend, 60	01	150.00
June 1, 1972	Westinghouse Electric Corp., Common	01	
Do	Dividend, 60	01	70.20
Do	Pabst Brewing Co., Common, no par	01	
Do	Dividend, 60	01	.80
June 9, 1972	Gulf Oil Corp., Common, no par	01	
Do	Dividend, 60	01	562.50
Do	Standard Oil Co. of Indiana, common, $12.50 par	01	
Do	Dividend, 60	01	444.91
Do	Standard Oil Co. of N.J., Common, $7 par	01	
Do	Dividend, 60	01	570.00
Do	Texaco, Inc., Common, $6.25 par	01	
Do	Dividend, 60	01	244.02
Do	Allied Chemical Corp., Common, $9 par	01	
Do	Dividend, 60	01	92.20
Do	General Motors Corp., Common, $1.66⅔ par	01	
Do	Dividend, 60	01	550.00
Do	Warner-Lambert Co., Common, $1 par	01	
Do	Dividend, 60	01	118.93
June 12, 1972	Mobil Oil Corp., Common $7.50 par	01	
Do	Dividend, 60	01	487.50
Do	E. I. du Pont de Nemours & Co., Common $5 par	01	
Do	Dividend, 60	01	125.00
June 15, 1972	Continental Corp	01	
Do	$2.50 cumulative convertible preferred shares at $4 par	01	
Do	Dividend, 60	01	45.00
Do	Continental Corp., Common $2 par	01	
Do	Dividend, 60	01	316.50
June 29, 1972	American Cyanamid Co., Common $5 par	01	
Do	Dividend, 60	01	62.50
July 3, 1972	American Telephone and Telegraph Co., Common $16⅔ par.	01	
Do	Dividend, 60	01	97.50
Do	Chemical New York Corp., Common $12 par	01	
Do	Dividend, 60	01	180.00
July 17, 1972	Pacific Gas & Electric Co., Common $10 par	01	
Do	Dividend, 60	01	344.00
July 20, 1972	Bankers Trust New York Corp., Common $10 par	01	
Do	Dividend, 60	01	35.50
July 24, 1972	General Electric Co., common	01	
Do	Dividend, 60	01	175.00
Aug. 1, 1972	Commonwealth Edison Co., common $12.50 par	01	
Do	Dividend, 60	01	110.00
Do	Public Service Co., of Colorado, common $5 par	01	
Do	Dividend, 60	01	256.36
Do	American Natural Gas Co., common $10 par	01	
Do	Dividend, 60	01	158.13
Do	Northern Illinois Gas, common $5 par	01	
Do	Dividends, 60	01	43.68
Do	RCA Corp., common no par	01	
Do	Dividend, 60	01	76.50
Aug. 15, 1972	Cleveland Electric Illuminating Co	01	
Do	Common no par	01	
Do	Dividend, 60	01	91.20
Do	Procter & Gamble Co., common no par	01	
Do	Dividend, 60	01	156.80
Aug. 30, 1972	Pabst Brewing Co., common no par	01	
Do	Dividend, 60	01	.80
Sept. 1, 1972	Westinghouse Electric Corp., common	01	
Do	Dividend, 60	01	70.20
Sept. 7, 1972	Gulf Oil Corp., common no par	01	
Do	Dividend, 60	01	562.50
Do	Texaco, Inc., common $6.25 par	01	
Do	Dividend, 60	01	244.02

Date	Security	Symbol	Amount
Apr. 17, 1972	Allied Chemical Corp., Common $9 par	01	
Do	Dividend, 60	01	$94.20
Sept. 11, 1972	Mobil Oil Corp., Common $7.50 par	01	
Do	Dividend, 60	01	487.50
Do	Standard Oil Co. of Ind., Common $12.50 par	01	
Do	Dividend, 60	01	444.91
Do	Standard Oil Co. N.J., Common $7 par	01	
Do	Dividend, 60	01	570.00
Do	E. I. du Pont De Nemours & Co., Common $5 par	01	
Do	Dividend, 60	01	125.00
Do	General Motors Corp., Common $1.66⅔ par	01	
Do	Dividend, 60	01	425.00
Do	Warner-Lambert Co., Common $1 par	01	
Do	Dividend, 60	01	118.95
Sept. 15, 1972	Continental Corp	01	
Do	$2.50 Cuml Conv pfd service A $4 par	01	
Do	Dividend, 60	01	45.00
Do	Continental Corp., Common $2 par	01	
Do	Dividend, 60	01	316.50
Sept. 29, 1972	American Cyanamid Co., Common $5 par	01	
Do	Dividend, 60	01	62.50
Oct. 2, 1972	American Telephone & Telegram Co., Common $16⅔ par	01	
Do	Dividend, 60	01	105.00
Do	Chemical New York Corp., Common $12 par	01	
Do	Dividend, 60	01	180.00
Oct. 16, 1972	Pacific Gas & Electric Co., Common $10 par	01	
Oct. 18, 1972	Dividend, 60	01	344.00
Oct. 19, 1972	Bankers Trust New York Corp., Common $10 par	01	
Do	Dividend, 60	01	35.50
Oct. 24, 1972	General Electric Co., Common	01	
Do	Dividend, 60	01	175.00
Nov. 1, 1972	Commonwealth Edison Co., Common $12.50 par	01	
Do	Dividend, 60	01	110.00
Do	Public Service Co. of Colorado, Common $5 par	01	
Do	Dividend, 60	01	256.36
Do	American Natural Gas Co., Common $10 par	01	
Do	Dividend, 60	01	158.13
Do	Northern Illinois Gas, Common $5 par	01	
Do	Dividend, 60	01	43.68
Do	RCA Corp., Common no par	01	
Do	Dividend, 60	01	76.50
Nov. 15, 1972	Cleveland Electric Illuminating Co	01	
Do	Common no par	01	
Do	Dividend, 60	01	$91.20
Do	Procter & Gamble Co., Common no par	01	156.00
Do	Dividend, 60	01	
Dec. 1, 1972	Westinghouse Electric Corp., Common	01	
Do	Dividend, 60	01	70.20
Do	Pabst Brewing Co., Common no par	01	
Do	Dividend, 60	01	.92
Dec. 7, 1972	Gulf Oil Corp., Common no par	01	
Do	Dividend, 60	01	562.50
Do	Texaco, Inc., Common $6.25 par	01	
Do	Dividend, 60	01	244.02
Do	Allied Chemical Corp., Common $9 par	01	
Do	Dividend, 60	01	94.20
Dec. 11, 1972	Exxon Corp., Common	01	
Do	Dividend, 60	01	570.00
Do	Mobil Oil Corp., Common $7.50 par	01	
Do	Dividend, 60	01	525.00
Do	Standard Oil Co. of Ind., Common $12.50 par	01	
Do	Dividend, 60	01	444.91
Do	General Motor's Corp., Common $1.66⅔ par	01	
Do	Dividend, 60	01	825.00
Do	Warner-Lambert Co., common $1 par	01	
Do	Dividend, 60	01	137.25
Dec. 15, 1972	E.I. du Pont De Nemours & Co., common $5 par	01	
Do	Dividend, 60	01	170.00
Do	Continental Corp	01	
Do	$2.50 coml conv pfc service A $4 par	01	
Do	Dividend, 60	01	45.00
Do	Continental Corp., common $2 par	01	
Do	Dividend, 60	01	316.50
Dec. 21, 1972	American Cyanamid Co., common $5 par	01	
Do	Dividend, 60	01	62.50
		1	21,743.70
	Less nontaxable portion Pacific Gas & Electric		567.12
	Total		21,176.58

Note: 0—Government bond interest. 1—Domestic dividends.

SCHEDULE C—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION, 1972

Floyd K. and Eileen N. Haskell.

Social security number: [redacted]

A. Principal business activity, Attorney.

B. Business name, Self.

D. Business address (number and street), #2112—1700 Broadway, Denver, Colorado.

G. Is this business located within the boundaries of the city, town, etc., indicated? Yes.

H. Did you own this business at the end of 1972? Yes.

I. How many months in 1972 did you own this business? 12.

J. Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1972? No.

Important—All applicable lines and schedules must be filled in. See Attachment hereto.

12. Legal and professional fees, $130,023.70.

21. Net profit (or loss) (subtract line 20 from line 5). Enter here and on line 35, Form 1040. ALSO enter on Schedule SE, line 1, $77,902.37

ATTACHMENT TO SCHEDULE C

Income statement—year ending December 31, 1972

Fees collected		$130,023.30
Expenses:		
Salaries	9,589.00	
Rent	3,200.52	
Stationery and supplies	328.52	
Postage	241.33	
Services and periodicals	482.11	
Xerox	917.44	
Telephone and telegraph	1,730.60	
Travel and entertainment (including percentage of dues for Denver Country Club (90%—$378) and University Club (10%—$70.20) and business entertainment at home of $200 (est.)	817.50	
Cost of operation of automobile for business purposes ($288.50) and cost of repairs ($423.63)	709.13	
Professional meetings and memberships	$227.50	
Fees paid to other lawyers	32,608.75	
General expense	1,064.78	
Total expenses	51,917.18	
Net income	78,106.52	
Less depreciation	204.15	
Net income	77,902.37	

SCHEDULE—DEPRECIATION

	Cost	Depreciation past years	Life (percent)	Depreciation
IBM typewriter, 1970	$466.40	$233.20	25.00	$116.60
Miscellaneous furniture and equipment	1,312.56	942.61	6.67	87.55
Business automobile (1966 Porsche, acquired April 1966)	5,125.90	5,019.00	(1)	
Total				204.15

4-year double decl.

SCHEDULE D—CAPITAL GAINS AND LOSSES, 1972

Name(s) as shown on Form 1040: Floyd K. and Eileen N. Haskell.

Social security number: 072–14–7751.

PART II. LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN 6 MONTHS

6. 200 rts. Common Edison, P, 2/17/72, pre-1971, $21.88.

9. Enter your share of net long-term gain (or loss) from partnerships and fiduciaries, $8,974.00.

13. Net long-term gain (or loss), combine lines 11, 12(a) and 12(b), $8,995.88.

PART III. SUMMARY OF PARTS I AND II

14. Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here, $8,995.88.

15. If line 14 shows a gain—

(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller (see Part VI for computation of alternative tax). Enter zero if there is a loss or no entry on line 13, $4,497.94.

(b) Subtract line 15(a) from line 14. Enter here and on line 36, Form 1040, $4,497.94.

See tables at end of article.

RETIREMENT INCOME CREDIT COMPUTATION

Name(s) as shown on Form 1040: Floyd K. and Eileen N. Haskell.

Your social security number: [redacted].

Joint return filers use column A for wife and column B for husband. All other filers use column B only.

Did you receive earned income in excess of $600 in each of any 10 calendar years before 1972? (Widows or widowers see Schedule R instructions.) If "Yes" in either column, furnish all information below in that column. Also furnish the combined information called for in column C for both husband and wife if joint return, both 65 or over, even if only one answered "Yes" in column A or B.

1. Maximum amount of retirement income for credit computation: A, $1,524.00; B, $1,524.00; C, $2,286.00.

SCHEDULE SE—COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX, 1972

Name of self-employed person (as shown on social security card): Floyd K. and Eileen N. Haskell.

Social security number of self-employed person: [redacted].

PART I—COMPUTATION OF NET EARNINGS FROM BUSINESS SELF-EMPLOYMENT (OTHER THAN FARMING)

1. Net profit (or loss) shown in Schedule C (Form 1040), line 21. (Enter combined amount if more than one business.), $77,849.00.

3. Net earnings (or loss) from business self-employment (Subtract line 2 from line 1, and enter here and on line 8(a), below.), $77,849.00.

RENT AND ROYALTY INCOME

(a) Kind and location of property if residential, also write "R"	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
Colorado 02995+6		$455.72	$100.26	$33.33
Davis oil lease bonus		270.00	59.40	
Chorney oil lease bonus		21.60	4.75	
Total		747.32	164.41	33.33
Net income (or loss) from rents and royalties (col. (b) plus col. (c) less cols. (d) and (e))			549.58	

INCOME OR LOSSES FROM PARTNERSHIPS, ESTATES OR TRUSTS, SMALL BUSINESS CORPORATIONS

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss	(e) Additional 1st year depreciation (applicable only to partnerships and estates)
Sucan, Ltd	X			86-6059772	($2,316.98)	
CanUS, Ltd	X			84-0583390	(187.00)	
Mountain Valley Association	X			84-6043115	5,141.00	
Totals					2,637.02	
Income (or loss) total of col. (d) less total of col. (e).					2,637.02	
Total of parts I, II, and III (enter here and on Form 1040, line 38).					3,186.60	

PART III—COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

8. Net earnings (or loss) from self-employment—

(a) From business (other than farming) from line 3, above, $77,902.37.

(c) From partnerships, joint ventures, etc. (other than farming), $2,732.77.

9. Total net earnings (or loss) from self-employment reported on line 8, $80,635.14.

10. The largest amount of combined wages and self-employment earnings subject to social security tax for 1972 is $9,000.00.

13. Self-employment income—line 9 or 12, whichever is smaller, $9,000.00.

14. If line 13 is $9,000, enter $675.00; if less, multiply the amount on line 13 by .075, $675.00.

16. Self-employment tax (subtract line 15 from line 14). Enter here and on Form 1040, line 62, $675.00.

INSTRUCTIONS

Schedule SE provides the Social Security Administration with information on self-employment income necessary for figuring benefits under the social security program. You have to pay self-employment tax regardless of age, and even though you are receiving social security benefits.

To assure proper credit to your account, enter your name and social security number on Schedule SE exactly as they are shown on your social security card.

Ministers, members of religious orders, and Christian Science practitioners.—Duly ordained, commissioned, or licensed ministers of churches, members of religious orders (who have not taken a vow of poverty), and Christian Science practitioners are now subject to self-employment tax. But they can, under certain conditions, request to exempt their income from service as a minister, member or practitioner by filing Form 4361. If you filed Form 4361 and you have no other income subject to self-employment tax, write "Exempt-Form 4361" on line 62 of Form 1040. (Note: *If you filed Form 4361 but have $400 or more from other net earnings subject to self-employment tax, you must complete Schedule SE*). You can get forms, schedules, and publications from your local Internal Revenue Service office. If you previously filed an effective waiver certificate, Form 2031, to pay self-employment tax, you cannot file for an exemption. For more information get Publication 517, Social Security for Clergymen and Religious Workers.

Ministers and members of religious orders must include in their earnings from self-employment (but not for income tax purposes) the rental value of the parsonage or allowance for the rental value of the parsonage. They also must include the value of meals and lodging furnished them for the convenience of their employers.

Members of certain religious faiths.—If you have conscientious objections to social security insurance because of your belief in the teachings of a recognized religious sect of which you are a member, you can file Form 4029 to get exemption from self-employment tax. If you filed Form 4029, do not file Schedule SE. Instead, write "Exempt-Form 4029" on line 62 of Form 1040.

U.S. citizens employed by foreign governments or international organizations.—You are subject to the social security self-employment tax if you are a U.S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands by a foreign government, an instrumentality wholly owned by a foreign government, or an international organization organized under the International Organizations Immunities Act. Report income from such employment on line 8(e), Schedule SE.

Fee basis State or local government employees.—Fees received for functions and services performed by these employees (including public officers who in such capacity are employees) are subject to self-employment tax if their functions and services are performed in positions which are: (1) compensated solely on a fee basis; and (2) not covered under a Federal-State social security coverage agreement, if you filed Form 4415, exempting your fees from self-employment tax, write, "Exempt Form 4415" on line 62 of Form 1040.

Exclusions

In figuring net earnings from self-employment, do not take into account income (or loss) from the following sources, or any deductions for expenses in connection with this income. Use Schedule SE, line 2, to exclude any such amounts reported in separate Schedule C that should not be taken into account in figuring your self-employment income. Exclude from line 5, Schedule SE, any item of income or expense that is not included * * * self-employment and attach an explanation.

Employees and public officials.—Income (fees, salaries, etc.) from the performance of service as: (1) a public official (except as noted above); (2) an employee or employee representative under the railroad retirement system; or (3) an employee (except as indicated above).

Note.—*Income of an employee 18 or over from the sale of newspapers or magazines to an ultimate consumer is subject to self-employment tax if the employee kept the profits from such sales.*

Certain payments to retired partners.—Income received by a retired partner under a written partnership plan that provides for life-long periodic retirement payments if the retired partner has no interest in the partnership (except for the right to the retirement payments) and did not perform services for the partnership during the year.

Real estate rentals.—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. These include cash and crop shares received from a tenant or sharefarmer. Report these amounts in Schedule E, Part II. However, rental income from a farm is not excluded if the rental arrangement provides for material participation by the landlord and he does participate materially in the production or in the management of the production of one or more term products on his land. Such income represents farm earnings and should be reported on Schedules F and SE.

The following are not real estate rentals: payments for the use or occupancy of rooms or other space where services are also furnished to the occupant, such as rooms in hotels, boarding houses, apartment houses furnishing hotel services, tourist camps or homes, or space in parking lots, warehouses, or storage garages. These payments must be included in figuring net earnings from self-employment.

Dividends and interest.—Dividends on shares of stock, and interest on bonds, debentures, notes, certificates, or other evidence of indebtedness, issued with interest coupons or in registered form by a corporation, or by a government or its political subdivisions, unless received in the course of a trade or business as a dealer in stocks or securities.

Property gains and losses.—Gain or loss: (1) from the sale or exchange of a capital asset; (2) to which section 631 of the Internal Revenue Code applies; or (3) from the sale, exchange, involuntary conversion, or other disposition of property if that property is neither (a) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the tax year; nor (b) property held primarily for sale to customers in the ordinary course of the trade or business.

Net operating losses.—No deduction for net operating losses of other years will be allowed in figuring the net earnings from self-employment. Such deduction should be included as a "minus" figure on Form 1040, line 44.

More than one trade or business

If you farmed and also had one or more other trades or businesses, your net earnings from self-employment are the combined net earnings from self-employment of all your trades and businesses. Thus, if you had a loss in one trade or business, it will reduce

the income from another trade or business. In such cases, use both Schedule F and Schedule C to figure net profit from the farm and nonfarm activities, respectively. Make the combined computation of self-employment tax on Schedule SE.

Joint returns

For a joint return, show the name of the * * * SE. If both husband and wife have self-employment income, each must file a separate Schedule SE. However, include the total of profits (or losses) from all businesses on Form 1040, line 35 or 39, as appropriate. Then enter the combined self-employment tax on Form 1040, line 62.

Community income

For the purpose of figuring net earnings from self-employment, if any of the income from a trade or business, including farming is community income, all the income from that trade or business is considered the income of the husband, unless the wife exercises substantially all the management and control of the operation. In that case, all such income is considered the wife's. (See "Partnerships" below.)

If separate returns are filed, Schedules C and SE or Schedules F and SE must be attached to the return of the one with self-employment income. Community income included on such schedules must be divided, for income tax purposes, on the basis of the community property laws.

Partnerships

In figuring his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership, including any guaranteed payments. No part of that share can be allocated to the partner's wife (or husband), even though the income may, under State law, be community income. However, in the case of a husband and wife farm partnership, as in other partnerships, the distributive share of each must be entered as partnership income in Schedule E, Part III, for income tax purposes, and in Schedule SE, line 4(b), for self-employment tax purposes. (Report nonfarm partnership income in Schedule SE, line 8(c), for social security purposes.)

Note.—*If a member of a continuing partnership dies, part of the deceased partner's distributive share of the partnership's ordinary income (or loss) for the taxable year of the partnership in which he died must be included in the partner's net earnings from self-employment.*

Optional method for computing net earnings from farm self-employment

If your gross profits for the year from farming were not more than $2,400, you can report two-thirds of your gross profits from farming instead of your actual net earnings from farming. If your gross profits from farming were more than $2,400, and your actual net earnings from farming were less than $1,600, you can report $1,600.

For the optional method, a partner should figure his share of gross profits from a farm partnership in accordance with the partnership agreement. In the case of guaranteed payments, his share of the partnership's gross profits is his guaranteed payments plus his share of the gross profits, after such gross profits are reduced by all guaranteed payments of the partnership.

Share-farming arrangements

A person who produces crops or livestock on land belonging to another for a proportionate share of the crop or livestock produced, or the proceeds from them, is considered to be an independent contractor and a self-employed person rather than an employee. His net earnings should be reported on Schedule F for income tax purposes and on Schedule SE for self-employment tax purposes.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business? If not, morning business is closed.

DEFENSE ARTICLES FURNISHED TO FOREIGN COUNTRIES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business?

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 1443, which the clerk will state by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organizations.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on the adoption of the amendment by the Senator from Wyoming (Mr. McGEE) and the Senator from New York (Mr. JAVITS), on which there is a 2-hour limitation.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, would the Senator yield?

Mr. McGEE. Mr. President, I will be glad to yield for 5 minutes to the distinguished majority leader.

THE ADMINISTRATION'S PROPOSAL TO REORGANIZE THE U.S. FOREST SERVICE

Mr. MANSFIELD. Mr. President, my distinguished colleague, the junior Senator from Montana (Mr. METCALF), and I, along with the distinguished Governor of the State of Montana, Tom Judge, and the distinguished Congressman from the eastern district, JOHN MELCHER, appeared before the Committee on Agriculture and Forestry, specifically the Subcommittee on Environment, Conservation, and Forestry. Our distinguished colleagues, Congressman SHOUP of Montana, Senators BENNETT and Moss of Utah and Senators DOMENICI and MONTOYA of New Mexico, also appeared before the Committee. The topic under consideration was the proposal by the administration to recognize the U.S. Forest Service which would have meant a shifting in part of some of the administrative duties of the headquarters region which is at Missoula, Mont., to Denver, Colo., approximately 1,000 miles away, with no direct lines of communication, which would have meant a dispersal of controls to Denver, and which would have meant a shifting of the headquarters from Albuquerque, N. Mex., to Atlanta, Ga., for the purpose of administering the forest region within the State of New Mexico.

Mr. President, I will later ask unanimous consent that this testimony plus additional correspondence relative to the desire on the part of the administration to bring about a reorganization of the Forest Service, a move which was made without any contact whatsoever with the Members of the House or Senate from the three States, involving a move which was made in the dead of the night, so to speak, during the time Congress was in recess at Easter, a move which has been thwarted, at least up to now, because of the attitude on the part of the Appropriations Committee of the Senate and I believe the House as well, and on the part of the Senate Committee on Agriculture and Forestry which, when the matter was brought to its attention, agreed to conduct hearings, which are now underway.

Mr. President, I would hope that in the future before any action of this nature is undertaken that at least the members from the affected States would be given the courtesy of being allowed to express their views rather than to have to depend upon rumor and accomplished fact, which luckily did not, this time, become an accomplished fact only because of the awareness in Congress of the nefarious undertaking which was underway.

Mr. President, I ask unanimous consent that all of the material to which I have referred be printed at this point in the RECORD.

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

U.S. FOREST SERVICE REORGANIZATION

(Statement of Senator MIKE MANSFIELD, June 26, 1973)

Mr. Chairman, it is always a privilege to appear before the Senate Committee on Agriculture; this legislative Committee which has jurisdiction over some very important matters in my State of Montana. I am, however, deeply concerned that I should have to come before this Subcommittee to protest an unwise, ill-conceived and ridiculous Executive reorganization plan for the United States Forest Service.

The announced plan to make the Forest Service conform its Regional operations to the current 10 Standard Federal Regions will severely diminish the effectiveness of what has been an outstanding Federal agency. The Forest Service is charged with the management of one of the Nation's largest and most valuable renewable resources—the national forests and some of the grasslands. The proposed consolidation of Forest Service Regional Offices will not work and will only diminish the effectiveness of an already embattled agency. Quite frankly, Mr. Chairman,

I am tired of having the management of our national resources dictated by the bookkeepers of the Executive Branch. These people are urban oriented in their thinking and unaware of complexities of this vast country. As I have said on other occasions, it will be a sad day when our Nation's policies are set by a computer. I have the distinct impression that the U.S. Forest Service implemented their reorganization plan rather hurriedly only after considerable prodding from the Secretary of Agriculture and The Office of Management and Budget. I understand further that only in the past several weeks has there been any intensive studies developed to support the reorganization plan. The Department personnel are attempting to justify their position, *after the fact.*

I do not like the arrogance demonstrated by the Secretary of Agriculture in attempting to implement this plan. This was an obvious political move with no detailed studies or specifics to back it up. Earlier reorganization plans were rejected. This plan is contrary to the intent of the Rural Development Act which establishes a preference for rural areas. This proposal concentrates the administrative arm of the Forest Service in large metropolitan areas.

By design, the Executive Branch is curtailing the activities or abolishing established and worthwhile programs through impoundment of funds, reorganization and abolition—all without justification or consultation with the Congress. Among them are the Department of Agriculture conservation programs, the war against poverty, many Federal health, education and social rehabilitation programs and, in the instance of the Farmers Home Administration, the agency is being administered by an Acting Administrator, without FHA experience, who I fear is planning the dismantling of this agency.

The Department of Agriculture, Division of Administrative Management, in 1971 prepared a preliminary study of the "Feasibility of Conforming to Ten Standard Regional Boundaries." The obvious conclusion to such a study is that it is feasible but it certainly is not practical. A person need only to look at a map of the United States. The present Forest Service Regional Structure is composed of 9 Regions. The boundaries of these Regions are set to accommodate the timber resources of the Nation, not the population centers as we find in the Federal Regional concept.

At the present time, Region I, which is located in Missoula, Montana, administers sixteen national forests in Montana, Idaho, and Washington, and 26,126,940 acres of timber. In addition, there are forestry research facilities in Missoula and Bozeman with associated programs at both State Universities. The agency administers grasslands in North and South Dakota. The vast majority of these forests are in Western Montana and adjoining Idaho. Missoula, Headquarters of Region I, is in the heart of these timber lands—a logical, central location.

Denver, Colorado, Headquarters of Region II, is approximately 1,000 miles away. Region II administers 20,000,000 acres of national forest. There are 186,000,000 acres in the entire national system of forest lands. The United States is a very large landholder and it does not seem unreasonable to ask that they continue to be administered from 9 Regional Headquarters. Building up an even larger administrative monster in Denver, in addition to the one in Washington, D.C., is not going to simplify matters. Such action takes away more responsibility and action from local authority.

Region I and II are two very large areas, each distinct and separate. There is no direct public transportation between the two points. The other Regional Headquarters under this plan is in Portland, equally inaccessible to Region I. There is no way in which I can be convinced that the affairs of Region I can be administered more efficiently from Denver. In fact, the people of Denver and State officials have indicated they do not favor the consolidation in Denver. The City of Denver has far too many urban problems now; they don't want more.

Looking at the map again, you will find the Department wants to place the State of New Mexico under the jurisdiction of the Regional Headquarters in Atlanta, Georgia. How this contributes to efficiency is extremely difficult to understand. The Secretary of Agriculture is determined to make the Forest Service conform to the Regional concept, yet his organizational chart exempts the State of Alaska. Our Alaskan neighbors are deserving of this attention but the need to conform to the Federal regional concept is obviously not binding for all.

This is not decentralization of government but rather a new and aggravated type of centralization on a regional basis at the expense of the States. If the government wants to really decentralize, it ought to move many of its offices and bureaus out of Washington, D.C., and the metropolitan area.

The proposed move of the Regional Headquarters from Missoula would admittedly be a severe economic blow but, in any other terms, it is also very impractical. The activities of the Forest Service are not the same as other Federal agencies. The agency is involved with the day-to-day management of a renewable resource and, if these personnel are to do a good job, they can't do it from afar. That is just exactly what would happen if the administrative arm of the agency is moved to Denver. There are rumors that the Department wants to move more personnel into the forests for on-the-ground management. I think this is an excellent idea but that does not mean that regional administrative management should be from afar. Movement of some personnel now in the Regional offices into the individual national forests would be useful.

The U.S. Forest Services has been an active and innovative Federal agency for most of its lifetime and I am now concerned with an obvious effort to clip its wings. If given the proper budget and number of personnel, I am confident that they will provide the management of this great national resource that the citizens of this Nation deserve. In fact, I believe it is time for the Senate to review the question of personnel levels in the Forest Service. Are they adequate to do the job?

The Federal authorities apparently agree that, because of the large expanse of territory within Standard Region VIII and the large workload, it is desirable to establish zone office at Missoula and Ogden to handle certain work better accomplished close to the on-the-ground job. If that is so, why bother to change the present setup.

The Research Unit and existing facilities at Ogden, Utah, should be maintained. Region I has always had a close affinity with the Inter-Mountain Station in Ogden. We must keep research priorities for the Northern Rocky Mountain and Inland Empire area. Fragmenting the research facilities at Ogden between Colorado and Oregon will only compound the problem. Fragmenting and disrupting research activity now underway will cause greater delays in some very important areas of research.

There is a great deal of hunting and fishing use made of the national forests of Region I, and this is an excellent measure of a heavy people use. In fact, during 1971 the total recreation use on the national forests of Region I was almost eleven million visitor days. In that same year, eight states had in excess of five million recreation visits to their national forests. Montana was one of those states, with almost seven million visits, compared to forty-eight million in populous California and barely 1.5 million in Alaska. Even Georgia, which has only 837,000 acres of national forests compared to the twenty million in Alaska, had more recreation visits to her national forests.

Water is a very important resource in Montana. Region I national forests contributed over two trillion cubic feet of water to the Columbia and the Missouri-Mississippi watersheds and river systems. Not only is this water vital to farm, community, and industrial requirements but the management of these headwaters is important to every downstream area and town. By every test of use and resources, and by every test of the impact of people on the lands and resources of the National Forest, there is an absolute and clear need, in my judgment, for the continuation of a Region embracing the area that is now Region I and a Regional Headquarters at Missoula.

The Forest Service reorganization plan will, undoubtedly, entail the expenditure of considerable monies for moving of personnel, location, and rental of new facilities, abandonment of old offices and equipment. I have seen no estimates as to any financial saving that would ensue from this ill-conceived plan. How much more money will be required for travel and per diem—distances would be substantially greater for Regional personnel.

The demands on our national forests are greater than at any time in history. The cost and demand for lumber is higher than anyone anticipated. The lumber industry is pleading for more timber sales. Timber management of this nature requires sufficient personnel to protect the multiple use concept. The Administration proposes a solution to the timber crisis which is almost impossible to comprehend.

They announce a program of expanded timber sales in our national forests and then a reduction in personnel and removal of Regional offices which are important to on-the-ground management. In Region I, the reorganization plan calls for a personnel reduction of some 1,600 slots. The Department has asked for 450 additional personnel in timber sales but no additional funds. To say the least, I am somewhat confused—I suspect that may be the intent. Reduced funds, fewer personnel, and unnecessary reorganization will bring chaos to the management of an extremely valuable natural resource. The multiple use concept will be cast aside and it will be full speed ahead for harvesting timber and nothing else—the consequences be damned.

The Department of Interior resource agencies, which is realigning their Regional operations, have found some difficulty because their activity is also resource based. The Regional structure there is less important. The major portion of their personnel are in the field. All in all, my colleagues from New Mexico, Utah and Montana are bewildered by the intent of this reorganization plan.

Not only is the Administration talking about abolishing a Region that has been functioning effectively since 1908, but they are also talking about abolishing a Region that contains *one-seventh of the lands in the National Forest System.* The fifty states of our Nation reflect vast differences and that is one of the reasons our Country is great. The Forest Service Regions fit into this mold by providing an organization for management based on the location of the resource it administers.

My colleagues here in the Congress will be

testifying on this issue at some length and we will be hearing from Governors and the people who will be directly affected by this proposal.

Mr. Chairman, in conclusion, I would like to make several recommendations to the Committee.

The Department of Agriculture and The Office of Management and Budget should be instructed to stop reorganization of the U.S. Forest Service. Forget once and for all a change in the current Forest Service Regional operations. Place more personnel in the field but no further consideration should be given to consolidation of field operations.

I recommend that the U.S. Forest Service be exempted from Administrative personnel reductions. If the agency is expected to do a proper job of managing our national forests, they need personnel.

Mr. Chairman, I am sufficiently concerned about the issue at hand to recommend that this Committee take no action on any pending legislation or proposal affecting the Department of Agriculture until this matter has been resolved once and for all.

I am confident that the Senate Subcommittee on Interior Appropriations will be willing to cooperate in every way.

What we are discussing today is the future efficient operation of an effective national resource agency which has been shackled by directives from above and I mean above. A resource of the magnitude of our national forests is something which cannot be taken lightly. The concern and attention of this Committee is most appreciated. Thank you.

TESTIMONY BY SENATOR LEE METCALF

Mr. Chairman:

I deeply appreciate this opportunity to appear before your subcommittee this morning. As my good friend and colleague, Senator Mansfield, has stated, it is unfortunate that we should have to appear on this matter. But serious actions have taken place with regard to the Forest Service which violate that agency's mandate and the common sense of the American people.

Before the day is over, you will have heard from the entire Montana Congressional delegation. I was born and raised in Stevensville, a small town thirty miles from Missoula, deep in the heart of Forest Service country. Senator Mansfield lived and taught in Missoula while at the University of Montana. Congressman Richard Shoup hails from Missoula. And Congressman John Melcher comes from Forsyth, just a few miles from the Custer National Forest.

Apart from our collective experiences as Members of Congress with regular dealings in Forest Service matters, we have personal knowledge of Montana's forests and mountains and timber, recreation and water and natural resources. All of these things were part of our lives before coming to Washington. We know what the words "renewable resources" mean. It therefore hits us hard when budget-balancing bureaucrats in Washington, most of whom wouldn't know a Montana pine from a Mississippi magnolia, treat this precious heritage as simplly another column of figures.

The successful farmer stays close to the soil. He sifts the soil through his fingers, surveys the sky for moisture and calculates the most opportune time to sow, weed, fertilize, and harvest. His relationship with his crop is close, personal, continuous.

The same relationship must exist between the forests and the public stewards of those lands. Proper maintenance requires on-the-spot decisions by competent Forest Service personnel. Those decisions simply cannot be made effectively by far-off bureaucrats.

It is ridiculous that we should be restating these obvious propositions today. There are only two questions which we should be asking: (1) what should be the goal of the Forest Service, and (2) what tools do they need to do the job properly?

The goal has already been laid out by Congress in numerous pieces of legislation, principal of which is the Multiple-Use Sustained-Yield Law. That Act obliged the Forest Service to give weight to the multiple uses of recreation, watershed, timber, wildlife and range management.

The tools should be those which meet increasing pressures on the national forests. More personnel should be provided to manage timber sales, conduct environmental surveys and cater to the millions of visitors. Research should be conducted on more efficient ways of removing timber from the forests, and more efficient ways of processing the logs once they are removed. Funds are needed to reforest large areas.

At some point, reasonable people have to ask themselves why this Administration, with commercial and recreational pressures of record levels on a vast domain of 186 million acres of Forest Service lands, are cutting experienced personnel and shipping many of those remaining to distant urban centers.

Mr. Chairman, I think you will find part of the answer in S. 1775, the "other half" of the reasons for these hearings. S. 1775 is nothing but a warmed-over version of the ill-fated Timber Supply Act which was rejected by Congress in February of 1970. Both measures share the distinction of replacing the multiple-use concept with timber as the dominant use of national forests.

This preoccupation with commercial interests has been the hallmark of the current Administration, so I suppose we shouldn't be surprised that it is extended to our national forests. The proposed Reorganization plan achieves two purposes for Mr. Nixon, the OMB and Mr. Butz. It gives the appearance of efficiency when viewed on the flow charts in government manuals, and it removes the watchdogs who guard the public's interests in the forest. Neither is accidental.

Although it is not properly an Administration bill, S. 1775 complements the Administration's efforts. It would condone, if not "legalize," the growing emphasis on the role of timber. The so-called "Wood Supply and National Forest Lands Investment Act of 1972" has as its rationale the claim that the nation's housing goals can't be met unless "available timber supplies in the National Forests are substantially expanded."

At first glance, the claim seems reasonable. But first glances seldom tell the whole story. The truth is that research, much of it by the Forest Service itself, demonstrates that up to a quarter of each tree is left in the forest when it is cut, and up to a quarter of the sawed log remains on the sawmill floor after processing. New techniques have been developed to get the most from each log, but much more needs to be done—in the laboratory and in pilot commercial operations. The President recently announced a ten per cent increase in the allowable cut; better he should have asked for additional research funds to increase the efficiency of each log by ten or twenty or even thirty per cent to achieve the same goal.

Also, the President's action could have little impact on the current lumber crisis. At the very earliest, timber contracted today could not appear on the market for at least a year. According to the Forest Service itself, there are already fifty billion board feet of saw timber contracted and in the pipeline today. This is nearly five times the annual allowable cut. The one point eight billion board feet increase announced by the President could hardly affect current prices. One must conclude, therefore, that the true motive, apart from giving to the American people the illusion of fast action, lies in its future application for the timber industry.

Mr. Chairman, if either or both the reorganization plan or the timber supply bill are allowed to stand, they will represent historic steps backward in our management of public lands. Timber interests will reap a temporary windfall; future generations will pay the price. And this Congress will be remembered for standing by and permitting it to happen.

The effects which will flow from the proposed Reorganization Plan will do incalculable harm to our national forests. I attach such importance to reversing the proposed action that I urge the Senate Agriculture Committee to entertain no other legislation dealing with the Forest Service until this matter is resolved. That includes S. 1775.

I likewise urge the Committee to instruct Mr. Butz in no uncertain terms to cease his emasculation of the Forest Service and to conform to the legislative intent of this and previous Congresses. The President has called for a better working relationship with Congress. He can begin by reversing this ill-advised scheme which can only lead to systematic rape of the land.

I thank the Chairman and members of this Subcommittee for their kind attention.

FOREST SERVICE REORGANIZATION

(Statement of Congressman JOHN MELCHER)

Mr. Chairman. I appreciate the opportunity to appear before you and the members of your Subcommittee today to discuss proposed Forest Service regional reorganization.

I want to make it clear at the outset that I believe the plan to make the Forest Service conform to the Standard Federal Region concept is not in the best interests of the taxpayers, the people who use our National Forests or of the forest resources in my District, my state or the Nation. In fact, in the context of proposals to combine forests now before the Chief of the Forest Service, the reorganization plan becomes an even greater threat to the people and resources I have mentioned.

Let me discuss several points individually.

First, the Forest Service has not justified the reorganization plan in dollars-and-cents terms. An analysis prepared by the Congressional Research Service points out that the criteria upon which the reorganization plan is based are not criteria at all. They are rather, a rationalization of management decisions already made—in this case quite clearly by the Office of Management and Budget. Those decisions appear to be a fuzzy attempt to cut much of the managerial muscle out of the Forest Service regionally in order to save money.

Yet, in answer to requests for itemized estimates of projected savings that would accompany reorganization, no figures were forthcoming until the very eve of this hearing, and then they were not complete and to the point. Until yesterday I had been told by the Forest Service that the General Accounting Office was now making a complete study of the matter and that I would receive a copy of the report. How could such a monumental reorganization plan have been devised and ordered into effect without cost/benefit figures having been prepared and carefully analyzed? What kind of management is this?

But the decision to go ahead with reorganization was made. And I still want to know how much more it's going to cost to have regional supervision of the forests in my District and in my State as a result of moving the bosses 800 miles to Denver. No one either can or will tell me.

The second point I want to touch on deals with the people who benefit from our National Forests—the people who want, and deserve, to use the forests for recreation under the multiple-use concept as well as those who depend upon our forests for a living as a result of the timber industry. Those who use our forests as a magnificent recreation

resource need road and campground maintenance. The timber people need adequate cut and environmental supervision and assistance. All need fire protection and adequate assurance of reforestation in cut areas.

Today the recreational use of our forests is increasing rapidly. The demand for timber cut allocations is not only increasing, it has been responded to with a promise that an additional 1.8 billion board feet can be harvested each year. The Secretary of Agriculture has promised an additional 450 "foresters, engineers and support personnel which are required under the expanded sales program." This commitment was made at a time when the Service was struggling to find ways to reduce its employment by 1590 people to meet its FY 1974 employment ceiling, and after previous reductions of more than one thousand people since 1971. Something has to give if the employment reductions, timber sales increases and reorganization goals are to be met.

We all should know what will suffer. It will be the very things our forests users need and Congress has intended they have—the maintenance fire protection, reforestation and environmental protection services. Already there are indications from Montana that Forest Service employees are being taken off important conservation and recreation jobs and assigned to help with the timber cutting, even outside their own forests.

Forest-level people are telling me that already the economic pressure for more timber is throwing the multiple-use concept out of whack. They are concerned about it and so am I, particularly when an important safeguard at the regional level is being proposed for removal to some distant city and employment of regional specialists, who serve a number of forests, is to be curtailed. Not only will forest-users suffer—more importantly our forests will suffer.

Some Forest Service spokesmen have argued against my position and in favor of Service reorganization by saying that, in fact, more people can be shifted to forest-level jobs once the regions have been standardized and headquarters at Missoula, Ogden and Albuquerque eliminated. One Forest Supervisor told my office that he might even accept a transfer back to a Ranger position in order to stay in the Service under reorganization. I've been told, too, that once these professionals are put back into the forests, more of the decisionmaking can be handled at that level.

If all this decentralization is really a goal of reorganization then I believe it should receive more attention. Then we could point out to the Service that it doesn't take the shifting of a regional headquarters 800 miles away to start cutting out deadwood in the office, if it is there in the first place.

I'm not convinced that increased forest-level staffing is a goal of reorganization, or that forest-level people have even been adequately consulted about the possibility of increasing such staffing.

My office recently released figures from within the Forest Service headquarters on projected personnel changes as a result of the elimination of the Missoula regional headquarters. Of the 370 Missoula headquarters employees, only 50 were projected to be assigned to forest positions within the Region, 170 were projected to stay in regional service centers, 70 were projected for transfer to Denver, Portland or to forests now administered in those regions, and 80 were expected to leave the Service. In Montana those figures were greeted with complete surprise. Regional and Forest people told me they must have been plucked from the air because no one in Washington had asked them for information as to what personnel shifts might be expected under reorganization.

If the Forest Service can place more professionals at the Forest Service level to provide closer supervision of timber cut, recreation, maintenance, and environmental work, fine. They can do so now without involving a move to Denver. More decisions might be handled at the forest level as a result. The regional paperwork might be reduced as more people were being sent into the field. But again, I doubt that moving regional supervision 800 miles away would help accomplish that if the Service found it necessary. On the other hand, I cannot stress strongly enough that when regional supervision or assistance *is* necessary it should be available quickly from people close enough to the forests to understand their problems and the resources available to solve their problems.

There is another situation related to reorganization that disturbs many Montanans today also. That is the plan, now before the Chief, to combine national forests and even ranger districts. I understand that these plans are only waiting in the wings for approval of regional reorganization. In Montana it is proposed, for example, that the six national forests that lie at least in part east of the Continental Divide be combined into three. One forest headquarters would be completely eliminated, with forest supervision transferred 100-to-200 miles away. At the same time there would be district consolidation, involving some ranger district elimination.

This is not speculation. The plans for consolidation are now before the Chief of the Forest Service and Forest Service people expect a decision affecting Montana as soon as regional reorganization is initiated.

It is clear to me that this represents an overall goal of reducing employment at all levels, not increasing it in the forests. This fits the overall planned employment reduction for fiscal year 1974 which cannot be justified. It raises the spectre of combined ranger districts with fewer people, being administered from combined forest headquarters perhaps hundreds of miles further away, at a time when regional decision-making and assistance is available only across half a continent.

As I have said, we have a threat to the proper management of our precious forest resources. That threat could evolve into disaster for our people and forests if it goes unchecked. Regional reorganization should be stopped now, and forest consolidation plans carefully considered under the present regional structure before any are approved.

Mr. Chairman, I again thank you and the distinguished members of the Subcommittee for the opportunity to be heard on this subject of such importance to Montana and the Nation.

TESTIMONY OF MONTANA GOV. THOMAS L. JUDGE

Mr. Chairman and Distinguished Members of the Subcommittee:

I believe the concept of Standard Federal Regions is potentially workable. There are, however, exceptions where local, state and national interests supersede organizational considerations. And the planned relocation of the U.S. Forest Service Region I Office exemplifies this type of thinking that ignores specific issues to achieve general objectives.

In Montana, we recently completed a program to reorganize the executive departments of state government. This program was intended to achieve general objectives. As we proceeded with the reorganization process, however, we realized that it was necessary to make exceptions to assure effective government operation. We realized that our concept of reorganization was not infallible.

We compromised some principles to achieve practical results. Eventually, we established a system that puts performance ahead of philosophy.

And I would hope that the same considerations of necessity would be applied to the proposed relocation of the Region I Office.

If our forests are not intelligently and effectively managed in the coming years, this nation will face another resource crisis similar to the current energy shortage. There are presently serious problems in the forest products industry as evidenced by the recent sharp increases in the price of timber. And if we do not begin immediately to do a better job of managing and appropriating our forest resources, these problems will become critical.

Effective forest management is a triangle of responsibility. There are three jurisdictions involved—federal and state government and private interests. Because of the scattered or checkerboard pattern of ownership of timber lands in the western states, cooperation among all those involved in forestry is essential to achieve good management. Maintaining and developing isolated tracts is not effective management. If the productivity and recreational value of our forests are to be maintained, federal and state government and private interests must work together to protect this priceless, renewable resource. And I believe Missoula, Montana is the nation's best example of this essential working relationship.

Missoula is the forestry capital of the Northwest. There are 13 federal and state agencies dealing with forestry located in the Missoula area. In addition, private forest product industries include saw mills, pulp paper, plywood, particle board, sash and other wood speciality products plants.

During the years the forest products industry was developing in the region, many close personal and professional relationships have been established. These people have worked together. They have fought fires, controlled diseases, cruised the woods, conducted inventories and timber sales, developed new technologies, and effectively managed the forests.

The triangle of responsibility works in Missoula and throughout the Northwest. And I do not believe that the practical advantages of the location of the Region I Office in Missoula should be cancelled by the vague concept of standard federal regions.

The organizational structure of the Forest Service dictates against the relocation of the regional office.

The Ranger Districts implement forest service policy. The supervisors of the national forest conduct planning. The regional offices provide support including coordination, training, quality control, disease, insect and fire control research.

Regional forest service offices implement policy only after receiving recommendations from the state and local levels. If the office is moved to Denver, it will lose the daily contact with state forestry and private industry personnel that is necessary to adequately manage our timber resources.

Quality control depends on the ability of the forest service to develop solutions to immediate problems. Confusion and delay can be disastrous in dealing with forest problems. An office in a metropolitan area 600 miles away will not be able to act as decisively as an agency located in the middle of the timber country.

Coordination of the myriad functions of the regional office is dependent on close contact with people in all areas of forestry. Because the forest service is concerned with so many activities that affect the region, including coal development, land use, recreation, insect and disease control and fire fighting, it is imperative that those people most affected be involved in determining policy.

Region I is comprised of 10 states, and although Denver is more centrally located, Missoula is in the heart of the Northwestern timber country.

Transferring the Regional Office to Denver will remove it from proximity with the resource it is charged to manage.

The relocation will break up the close working relationship that has developed through the years among the state and federal agencies and private industry in regard to forestry matters.

It will confuse and delay the implementation of forest service policy by restricting the informational process.

The cumulative effect of all of these conditions, in my opinion, will be a deterioration of the Forest Service's capability to effectively manage our priceless timber resources.

And I believe this is a prohibitive price to pay to achieve the still questionable objective of Standard Federal Regions.

We need men in the woods in the Northwest rather than bureaucrats behind desks in Denver.

We need people who can go to work to sustain our forests rather than an accumulation of new concepts.

We need day-to-day contact and cooperation among all forest interests rather than an aloof relationship with a remote government agency.

And finally we need to emphasize practical considerations rather than general ideas.

Effective management of our forests to achieve sustained productivity and preserve recreational values is a matter of vital national interest, that I believe has precedence over any other considerations of policy and organization. This committee has the opportunity to prevent the Forest Service from being crippled. I hope that you would agree that the forests of the Northwest can be more intelligently and effectively managed by maintaining the Regional Office in Missoula.

The effects of moving the Regional Office go beyond forest management. This proposed relocation will result in immediate adverse economic conditions in Montana and throughout the timber states of the Northwest. The forest products industry has just begun to recover from a period of extreme economic difficulty. And the recovery of the industry will never occur unless adequate forest service personnel are available to plan and control the development of our timber resources.

At a time when rising prices dictate the necessity of more timber sales, we must have forest service personnel in the woods to assure that allowable cuts are attained.

At a time of increasing conflict between environmental and economic interests, the forest service must become more actively involved to assure both conservation and development.

The relocation of the Regional Office will restrict the availability of personnel needed to conduct timber sales and plan for the sustained productivity of our forests. The effect in the Northwest will be a reduction of activity in the forest products industry, the loss of jobs and the return of the hard times that we have recently experienced. The effect in the nation will be higher timber prices, reductions in housing starts and other construction and a general weakening of the economy.

This is not the time to reduce, restrict and reorganize the forest service. Present problems indicate to me a necessity to strengthen the forest service by increasing management capabilities and involvement. And the proposed transfer of the Region I Office is in direct contradiction to the need—now more than ever—to effectively manage our forest resources.

I believe relocation is a very cold, impersonal and impractical policy. The Regional Office employs approximately 450 people in the Missoula area, and as Governor I can assure you that we need these jobs in Montana. And to me, relocation is just additional evidence of the disregard for rural America that seems to prevail in Washington.

The loss of the Region I Office will exaggerate already serious economic problems in Montana.

Transferring these people to Denver will only complicate serious population pressure and pollution problems in Colorado.

And I can think of no organizational structure that could justify these unreasonable dislocations.

I thank Senator Eastland, Chairman of this Subcommittee, and Senator Talmadge, Chairman of the Agriculture Committee, for providing me with this opportunity to testify on this matter of great importance to Montana and the Northwest.

STATEMENT OF SENATOR MIKE MANSFIELD

Mr. Chairman, before leaving this morning I would like to submit a series of correspondence for the record of this hearing. These documents include letters from my colleagues here in the Senate, Executive replies and reports.

To be very candid about the circumstances involved in this reorganization, I am not happy with the way that it has been handled. Inquiries early in the year about possible Forest Service reorganization brought replies—"the matter is under review"—and that we would be informed before any final action was taken. Then reorganization is announced during the Easter Recess when most of us were out of the city. After appealing to the able Chairman of this Committee, Senator Talmadge, he instructed the Department to withhold implementation until such time as these hearings could be held. The Department acquiesced, but only verbally, nothing was put in writing. Later the Department responded in writing that the reorganization was being postponed; however, tentative planning was proceeding according to a memorandum circulated in the Regional Offices.

Senators Metcalf, Moss, and I asked for some detailed statistical information which we assumed went into this decision, and we received a partial response yesterday. Much of the information was considered too voluminous to provide or deferral was made to the upcoming study of the entire matter by the General Accounting Office.

Finally, I wish to state that it is an exceedingly poor way for the Executive Branch of the Government to improve its relationship with the Legislative Branch. I hope that this Committee will take appropriate action.

MARCH 26, 1973.

Hon. EARL J. BUTZ,
Secretary,
Department of Agriculture.

Hon. JOHN MCGUIRE,
Chief,
U.S. Forest Service.

Rumors have come to my attention that U.S. Forest Service region one headquarters now at Missoula, Montana will be transferred to Denver. I object strongly to any such plan. Missoula is strategically located in the heart of timber resources region. Regional concept as now established does not necessarily apply to several of our natural resources. Denver is remote on the fringe of the most active forest regions. I would like your reassurance that nothing will be done to dissipate Forest Service activity at Missoula. Any plan to move the Missoula headquarters will be met with strong opposition here in the Senate.

Regards,

Senator MIKE MANSFIELD,
Majority Leader, U.S. Senate.

FOREST SERVICE,
Washington, D.C., April 6, 1973.

Hon. LEE METCALF
U.S. Senate.

DEAR SENATOR METCALF: Your telegram of March 26 asking us to check on a rumor that the Forest Service is considering moving its Missoula Regional headquarters. Although we are reviewing the possibility, we have made no firm decision on this matter.

About two years ago, we initiated Standard Region studies as part of the government-wide Federal Assistance Review (FAR) program. This directed agencies to simplify and improve the ability of the Federal Government to provide services through conformance to the Standard Regional concept. Our Studies show that we can conform and still carry out Forest Service programs effectively.

At the same time, as you are aware, Federal budgets and manpower constraints have been tightened. Rising costs of doing business have added to the need to accelerate studies to find ways to improve the efficiency and effectiveness of National Forest management while reducing costs. Therefore, in order to maintain our present level of management on National Forests, it is essential that we take a positive approach to insure that the maximum amount of available dollars and people are released to on-the-ground resource management.

So far our evaluations are preliminary, but they do indicate that substantial savings can be made by reducing the number of Forest Service headquarters offices, including our Regional Office in Missoula. If this were to occur, the Forest Service would continue to maintain a work force in Missoula of about 370 people to support Forest Service programs.

We appreciate your concern in these matters, and would be glad to meet with you at your convenience for more detailed discussions. Copies of this letter are being sent to the other members of the Montana Congressional delegation as they have also inquired into this situation.

Sincerely,

JOHN R. MCGUIRE,
Chief.

APRIL 28, 1973.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On my return to the city from an official visit to Mexico, I was very disturbed and disheartened to learn that the Secretary of Agriculture had announced the U.S. Forest Service regional reorganization during the Easter recess. You may recall that I discussed this matter with you at our last breakfast meeting.

In my estimation this effort to adjust this agency's regional organization to fit with the standard Federal regional structure is unwise and unnecessary. As I recently indicated to you, I am very much opposed, not only because it would mean the closing of the Region I headquarters at Missoula, Montana, but it will create similar problems elsewhere in the west. Moving the headquarters from Missoula to Denver will create some very difficult problems of communication and transportation. Region I, which administers one of the largest National Forest areas, would be some eight hundred miles away from Denver, which now administers Region II.

The Forest Service can be logically exempted from the Federal regional structure because of the nature of its business. Our National Forests are a renewable resource and require continual on the ground management. At a time when there are greater demands on our National Forests it is necessary that the administrative and operational personnel be located in close proximity. Also National Forests are scattered throughout the nation, and they are not uniformly located so as to conform to the United States regional structure.

This proposed reorganization is inefficient, and I cannot envision any financial savings whatsoever. Candidly, I feel that whoever developed this plan is not aware of the resources or the land area involved. You may remember that on your trip to Libby Dam

in Montana you flew over a part—a very small part—of Region I's area.

I cannot let this matter rest, and I will be discussing the situation with my colleagues. In your capacity as Chief Executive you can perform a much needed service, in full accord with your policies, by rescinding the Secretary's order.

Respectfully.

MIKE MANSFIELD.

U.S. SENATE,
Washington, D.C., May 3, 1973.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We were extremely disappointed to learn that the Department of Agriculture has decided to adjust its regional organization to fit within the standard federal region structure and thus phase out the regional offices at Ogden, Utah, Albuquerque, New Mexico, and Missoula, Montana, and the experiment station headquarters at Ogden and Asheville, North Carolina.

We respectfully request that this proposal be reconsidered. Although the new regional concept is sold as an economy move to increase efficiency and effectiveness in managing the national forests, we see it as a negative action which will result in less staff responsibility for more area, increased bureaucracy, and the creation of more distance between the forest managers and the users.

We can understand the logic of concentration in the standard regional offices of those organizations which exist to administer programs emanating from Washington. But the essential program of the Forest Service is to manage national forest land areas, and the present locations were chosen because they were most convenient to those areas. It does not seem wise to us to destroy this convenience simply to satisfy the theoretical desire to get all regional offices in one place.

Because of the serious effect these proposed changes will have on our states' economies, we have met with Department of Agriculture officials to try to resolve this problem. Now we must turn again to you to urge that this order be rescinded.

As you know, from the very beginning of the Forest Service, these regional offices have been located in Ogden, Albuquerque and Missoula. Region I headquarters at Missoula, Montana is one of the most active regions where there are mounting demands for increased timber sales requiring additional on-the-ground management of the forests. Moving the headquarters from Missoula to Denver as proposed would create very difficult problems of communication and transportation. This would place this large Region some eight hundred miles away from Denver. In addition, Region I operates the smokejumper school and the Forest Fire Research Laboratory and associated research facilities at both Montana Universities at Bozeman and Missoula. This proposed move would be an economic blow to this western Montana city and would not provide any great economic benefit to the government. It would, in fact, reduce the proper management of one of the nation's busiest national forest areas.

Of all the announced changes in the regional reorganization of the Forest Service, the relocation of the Albuquerque office to Atlanta is the most nonsensical. The abolition of a regional office that has successfully administered over 20 million acres of forest land since 1908 is completely unwarranted. It would be impossible for Atlanta to successfully administer New Mexico's forest, which contain half of the region's total acreage, from over 1,500 miles away. It is equally unlikely that New Mexico will receive the proper representation from the Atlanta region since the areas have completely different topographic, climatic and forestry problems.

Another case in point is the Intermountain Region, which includes all of Utah, southern Idaho, western Wyoming, all of Nevada and a tiny segment of California. For the most part, this is Great Basin country with high temperatures in the summer, moderately cold ones in winter and precipitation amounts that are less than generous. These factors, plus a general similarity of soil have created plant groupings that lend themselves to the same general management techniques. To split the Intermountain Region would run the risk of taking a team of experts, skilled in managing one particular vegetative situation and scattering team members to where they would no longer be effective. This is hardly an efficient use of taxpayer monies. In addition, closing the Ogden Regional Headquarters will leave the Ogden Federal Building almost empty, leaving a very bitter taste in the mouths not only of the Forest Service employees, but also of the local voters.

We cannot accept the explanation that the regional Forest Service offices must conform to the standard Federal regional structural concept. Since the Forest Service's objective is to administer forests, its regional offices must be located where the majority of the forests are.

Again, we strongly urge that this proposal be reconsidered and that practical values be put above theoretical conformity.

Sincerely,

WALLACE F. BENNETT.
MIKE MANSFIELD.
PETE V. DOMENICI.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., May 4, 1973.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: I looked into the matter of Forest Service regional boundaries immediately following our conversation the other evening.

It turns out that the decision to alter the boundaries and the regional office locations had already been made and was announced on April 24. I am assured that your views on the matter were on record and had been considered in the decision. I also understand that your office was notified prior to official announcement. You will shortly receive an explanatory reply to your letter to the President outlining the reasons for the decision and the expected benefits.

There appears to be little inclination either in the Department or in OMB to reopen this decision so recently announced. However, I am sure that the Department will do all it can to minimize the potential adverse consequences in your area, and, if you wish, I would be pleased to arrange for Assistant Secretary of Agriculture Long and Chief McGuire of the Forest Service to meet with you to provide a detailed explanation of the reasoning behind this decision and a briefing on their transition plans.

I'm sorry I cannot be of more assistance in this particular matter.

Sincerely,

JOHN C. SAWHILL,
Associate Director.

MAY 9, 1973.

Hon. HERMAN E. TALMADGE,
Chairman, Agriculture and Forestry Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, I am very concerned about the Secretary of Agriculture's plans to implement the reorganization of the U.S. Forest Service regional setup. Region No. 1 at Missoula, Montana will be transferred to Denver.

I believe that this plan is impractical, inefficient, and would accomplish no savings to the Federal government.

I have discussed this matter with the Senate Subcommittee on Interior Appropriations and I would also personally appreciate if the Committee on Agriculture would investigate this matter. I am enclosing my statement before the Subcommittee which will give you my views in greater detail. Anything that the Committee might do to stop this plan would be appreciated.

Insofar as I am aware, Congress was not consulted about the practicality of this move.

With best personal wishes, I am

Sincerely yours,

COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C., May 15, 1973.

Hon. MIKE MANSFIELD,
Majority Leader,
U.S. Senate,
Washington, D.C.

DEAR MIKE: I have just received your letter regarding the reorganization of the U.S. Forest Service and the consolidation of regional offices.

I agree that the Administration's plan to eliminate five regional offices is illogical and unsound. For example, the plan places Georgia in the same region as New Mexico.

I am placing this matter on the agenda of the Committee for our next regular meeting which is tomorrow. I will be in further touch with you when I ascertain the will of the Committee.

With best wishes and warm personal regards, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C., May 16, 1973.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR MIKE: The Committee on Agriculture and Forestry discussed the unfortunate reorganization and consolidation of regional Forest Service offices. We felt that this consolidation would create a number of problems.

I have written to the Secretary of Agriculture to ask that he suspend the reorganization until the Committee has an opportunity to hold hearings. Enclosed is a copy of my letter to the Secretary.

With best wishes and warmest personal regards, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C., May 15, 1973.

Hon. EARL L. BUTZ,
The Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: While the members of the Senate Committee on Agriculture and Forestry generally applaud any efforts toward economy, efficiency, and cost-effective operation practiced administratively by the Executive Branch, the members of the committee have some questions and reservations as to whether the proposed reorganization of the U.S. Forest Service will accomplish these ends.

As you are no doubt aware, there are several pieces of legislation in varying stages of readiness that will affect the operation of the Forest Service. All of them are predicated on a structuring of the Forest Service along lines similar to those that prevailed before the announcement of the reorganization, and at staffing levels which existed at that time.

It is the intention of this committee to hold hearings on several of these measures in the not too distant future, and we would appreciate it if the Department would see fit to suspend the proposed reorganization

until such time as our hearings can indicate what the results of the reorganization will have on pending legislation and existing law.

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE.
Chairman.

JUNE 11, 1973.

Mr. ROBERT W. LONG,
Assistant Secretary, Department of Agriculture, Washington, D.C.

DEAR MR. LONG: I have received a letter from a constituent expressing concern that the Department is proceeding with the Forest Service reorganization, contrary to the assurance I received from you. The letter indicated that a meeting was held in Missoula and that the word from the Secretary of Agriculture was that "they were proceeding with the reorganization and not going to let the Senators stop them."

I would appreciate confirmation of the fact that the reorganization will *not* proceed.

With best personal wishes, I am

Sincerely yours,

_____ _____.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 13, 1973.

Hon. MIKE MANSFIELD,
U.S. Senate.

DEAR SENATOR MANSFIELD: Bob Long is out of town this week so I have looked into the question raised by your letter of June 11. I have also discussed it with John McGuire.

The Forest Service has been doing some further analysis and planning in preparation for the Agriculture and Forestry Committee hearing on June 26. No personnel transfers or other irreversible moves toward regional reorganization have been taken.

This Department is fully aware of its commitment to defer reorganization actions until after the hearings. I assure you that we will honor that commitment.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

FOREST SERVICE,
June 15, 1973.

Reply to: 1360 Meetings (6130) (1200).
Subject: Reorganization Placement Meeting.
To: Regional Foresters.

REPLY DUE JULY 10

This is a follow-up of our letter of June 8 in which we tentatively scheduled a meeting of Personnel Officers in Washington the week of July 9 to prepare staffing proposals based on the possibility of reorganization.

We are committed to taking no irreversible action on the implementation of the Standard Regions until the hearings are completed by the Senate Committee on Agriculture and Forestry on June 26 and 27. However, we believe planning can continue, particularly placement planning to identify positions for employees in the proposed phased out Regional Offices who are willing to move. Therefore, we have rescheduled the Personnel Officers meeting for the week of July 16, subject to the outcome of the Senate Hearings. The objective of this meeting will be to make tentative placements of regional employees affected by the reorganization. Accordingly, the only Personnel Officers needed for the meeting are the Regional Personnel Officers and the Washington Personnel Officer.

We believe the following information needed for this meeting, can be assembled without the need to contact employees or in any way take action contrary to Mr. Long's commitment to Senator Mansfield. This information must reach the Washington Office by July 10 so that it can be consolidated in time for use at the meeting.

1. Vacant and New Position Information.

a. All Regional Offices not being phased out submit a list by title, series, grade, and location of vacant and new positions Region-wide.

b. Regions 1, 3 and 4 submit this same information for all vacant and new positions on your Forests. You should also submit this information on any new zone office you propose to establish in phased out Regional Office cities in line with the guidelines developed at the Denver meeting.

2. Employee Information.

a. Regional Offices scheduled to be phased out submit your best estimate of names of those R.O. employees who are willing to move at their present grade and their preference for assignment.

b. Regional Offices scheduled to be phased out submit their best estimate of names of R.O. employees who are unwilling to move.

Enclosed is an outline of the process to be used at the meeting to tentatively place employees and instructions and format to be used in submitting the advance information.

In addition to placements necessitated by the reorganization, some units may still have surplus employees who are not funded. However, these should be considerably reduced since the Denver meeting in view of the increased staffing provided to meet the new timber targets. Bring a list of your unfunded positions and affected employees with you to the meeting. After completing the recommendations on the reorganization placements, we will consider the placement of unfunded positions.

The meeting will be continued as long as necessary to accomplish all of the placements. Hopefully, it can be completed within a week. You will be contacted as early as possible after the Senate Hearings regarding the status of the meeting and lodging arrangements.

J. W. DEINEMA,
(for John R. McGuire, *Chief.*)

PROPOSED PLACEMENT PROCESS TO BE USED AT MEETING BY PERSONNEL MANAGEMENT

Responsibility for the programs and functions of the phased out Regions will be the responsibility of the new Regions. Therefore, it will be the primary responsibility of the new Regions to absorb the employees of the phased out Regional Offices. Representatives of R–2, 5, 6, and 8 should come prepared to place R.O. employees from Regions 1, 3, and 4. Placement will be based on employee preference, retention register standing, and management needs. The Personnel Officer should come with inputs from line officers and program people on staffing needs, and with the authority to make tentative selections. The W.O. Personnel Officer will be prepared to provide information on both Washington Office vacancies and general information on placement desires of the various Deputy Chiefs where Regional placements are concerned. Personnel Officers should come equipped with organizational configurations approved by the Operation people to be used in the placement of employees. We realize this will be difficult in cases where organizational changes have not yet been decided.

We will provide SIS profiles on all employees GS–13 and above in the closing offices. However, Regions 1, 3, and 4 should bring with them available PRI's on employees to be placed. Other Regions should bring with them the Regional Office portion of their Position Organization Listing, including new positions where known.

In very general terms, we plan to follow the following process in considering possible placement assignments for all personnel in the Regional Offices proposed for closing.

1. Consider Regional Office organizations in Atlanta, San Francisco, Portland and Denver as new organizations.

2. Consider the "transfer of function" principle which means for example the new Denver Region must take their proportionate share of personnel from R–1 and R–4.

3. Divide the Personnel Officers up into teams to make proposed placements. Team composition will be as follows:

R–1, R–2, R–4 and R–6. Make placements into the new Portland and Denver Regions.

R–3, R–5 and R–8, Make placements into the new Atlanta and San Francisco Regions.

*R–4 and R–5, Make placements into new San Francisco Region.

4. Personnel Officers from the Washington Office, R–9 and R–10 will work with these groups to consider additional placements.

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*These units to meet as a team following the other team meetings.

Title [1]	Specialty [2]	Series, grade [1]	Organizational unit
Vacant and new positions:			
Forester	Administration	GS 460–15	Big River Forest.
Do	Recreation	GS 460–13	R.O., Division of Recreation.
Do	do	GS 460–13 (Interd. W/GS–807–13)	Do.
Do	Timber Management	GS 460–13	R.O., Division of Timber Management.
Do	do	GS 460–12	Big River Forest.
Do	Recreation	GS 460–12	R.O., Division of Recreation.
Soil Scientist		GS 470–13	R.O., Division of Soils and Watershed.
Accountant		GS 510–12	R.O., fiscal control.
Do		GS 510–12	Do.
Civil engineer	Design	GS 810–14	R.O., Division of Engineering.
Do	Construction	GS 810–12	Big River Forest.

[1] Group positions by identical series, grade and specialty. List in descending order within each series, as illustrated. Enter interdisciplinary positions only once but indicate alternative series.

[2] Forester and engineer positions only require a specialty. Use promotion roster specialties listed in FSH 6109.14, p. 31.72. When a position encompasses more than 1 specialization, enter the predominant or more technical one, Also show specialty for 301, General Administration, positions.

Title [1]	Specialty [2]	Series/grade [1]	Name	Regional preference [3]	Retention group	SCD
Regional office employees willing to accept reassignment:						
Employee Dev Specist		GS 235–13	William Smith	Portland, Denver	1A	Jan. 3, 1952
Administrative Offcr		GS 341–11	James Boyd	Denver, Portland	1B	July 28, 1959
Forester	Timber Mgmt	GS 460–15	Phillip Brown	Portland, Denver, San Francisco	1A	Sept. 2, 1940
Do	Recreation	GS 460–14	Robert Wilson	Portland, San Francisco	1A	Dec. 3, 1943
Do	Timber Mgmt	GS 460–12	James Green	Atlanta, Portland	1A	July 12, 1964
Do	do	GS 460–12	Joe Brown	Portland, Denver	1B	Nov. 3, 1939
Do	do	GS 460–12	Jack White	W.O., Milwaukee	1B	Oct. 15, 1962
Fiscal clerk		GS 501–06	Mary Jones	W.O., San Francisco	1B	May 13, 1953

Title [1]	Specialty [2]	Series—grade [1]	Name	Retention group	SCD	Proposed action
Regional office employees not willing to accept reassignment—None.						

[1] Group employees by identical series, grade (and specialty for foresters and engineers). List in ascending series order, and in descending grade order within each series, as illustrated.

[2] For foresters and engineers show specialty. Use promotion roster specialties in FSH 6109.11, p. 31.72. When an employee is currently working in 2 or more specialties list the 1 where his expertise is greatest. Also show specialty for employees in the 301, General Administration series.

[3] Preference for regions is to be identified using new regional boundaries. Do not show cities, States or other specific locations. List in order of preference.

U.S. SENATE,
Washington, D.C., May 8, 1973.

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

DEAR MR. SECRETARY: In connection with the proposed centralization of national forest supervision announced on 24 April 1973, you are hereby requested to make available the following information.

1. Each and every study, report and analysis with all of the supporting evidence, which shows the efficiencies (or inefficiencies) of the proposal to transfer regional offices and personnel, and consolidate or change national forests.

2. For Region 1 for the fiscal years 1971, 1972, 1973 through 1 April 1973 separately by years:

(a) travel by individuals and purpose from Regional office to one or more Forest offices including time, distance, mode of travel and cost for the portion from the Regional office to first stop. Please show comparable cost under proposed change.

(b) travel by individuals and purpose from each national forest to Regional office with data as above. Please make similar comparison as above.

3. Describe facilities to be vacated or abandoned by move, cost, value, etc., and the cost of new facilities in Denver and Portland and the net financial impact. Show cost to move equipment, etc.

4. By job title list personnel affected by proposed transfer.

(a) show estimated cost to transfer, including movement of household goods, sale of home, relocation expense and cost to move family, etc.

(b) for each position to be "abolished" show results of various inspections over past four years that discuss the position and summarize whether they recommended strengthening or abolishing position.

(c) for each position to be transferred show results of various inspections over past four years that discuss position and summarize whether they recommended transfer and the reasons therefor and whether they recommended transfer as now planned.

5. Based on the proposal, show analysis of how cost of doing business and effectiveness will be changed by making the changes advocated.

6. One part of your proposal suggests that New Mexico, which has five national forests, be attached to the proposed Atlanta Region. However, Alaska, which has three national forests, is proposed to remain as a Region. Please list the most direct mileage by the most expeditious modes of transportation from:

(a) Atlanta to each New Mexico forest headquarters.

(b) Albuquerque to each New Mexico forest headquarters.

(c) Denver to each New Mexico forest headquarters.

Show the differences in time and cost for each and time as above.

(d) Distance from Missoula to each forest headquarters in Region 1 as now existing.

(e) Same information from Denver or Portland to each forest in proposed revision.

Show the differences in time and cost for each.

(f) Show distance and time from Juneau to each Alaska national forest.

(g) Show same data from each Alaska national forest to Portland.

Show distance in time and cost for each.

(h) Show the key elements of business for each national forest in Alaska, Region 1, and New Mexico, and using time to travel, distance and cost explain the logic of retaining the Alaska "Region" rather than attaching to Portland, the logic of attaching New Mexico to Atlanta rather than leaving as is or attaching to Denver, and the logic of attaching Region 1 forests to Denver and Portland, rather than leaving "as is."

In summary, we want a full and complete explanation of all pertinent facts that demonstrate the efficiency of your proposal. If such studies were not made prior to the date when this proposal was ordered into effect and these data would have to be developed specially to answer our request, any such question can be answered by the statement "Do not know." However, you are advised that the absence of such studies and hard cost and benefit analyses will be considered as extremely significant factors in weighing whether the proposed revamping of the Forest Service structure advances or significantly retards efficient operation of these public assets in the national interest.

We will appreciate a reply at your earliest convenience. Please send a copy of your response to Senator Alan Bible, Chairman, Subcommittee on Interior and Related Agencies, Senate Committee on Appropriations.

Very truly yours,

LEE METCALF,
U.S. Senator.
MIKE MANSFIELD,
U.S. Senator.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 25, 1973.

Senator LEE METCALF,
U.S. Senate,

DEAR SENATOR METCALF: This responds to your June 8 letter asking for information you and Senator Mansfield had requested on May 8. You recall we had suggested awaiting outcome of the GAO survey in order to avoid possible duplications.

Since the GAO survey will not be completed before June 26–27 we have attached responses to the questions raised in your May 8 letter.

We are also sending copies of this information to the Congressional Delegations of Utah, New Mexico, Nevada, and Montana.

Sincerely,

ROBERT W. LONG,
Assistant Secretary.

METCALF, MANSFIELD, AND MOSS QUESTIONS IN LETTERS DATED MAY 8 AND MAY 30, RESPECTIVELY

Responses to the numbered questions in Senators Metcalf's and Mansfield's May 8 letter follow:

1. Each and every study, report and analysis with all of the supporting evidence which shows the efficiencies (or inefficiencies) of the proposal to transfer Regional Offices and personnel. and consolidate or change National Forests.

Answer: Our files on these subjects are extensive. They have been made available for inspection by GAO and anyone else having such need. Key reports such as the November 1971 analysis have been sent to interested individuals on request. An additional copy is enclosed.

2. For Regions I and IV for the fiscal years 1971, 1972, 1973 through 1 April 1973 separately by years:

a. travel by individuals and purpose from Regional Office to one or more Forest offices including time, distance, mode of travel, and cost for the portion from the Regional Office to first stop. Please show comparable cost under proposed change.

b. travel by individuals and purpose from each National Forest to Regional Office with data as above. Please make similar comparison as above.

Answer: We do not have this information. In our studies of the travel question, we estimated increased travel cost that would accrue by reason of having larger but fewer regions through the use of modified regression analysis techniques. The Travel Index thus derived was a simple number, which took into account several variable factors such as point to point distances, costs, fre-

quency of travel, time and workload, etc. Using this technique allows for much easier assimilation of a great deal of information such as you requested. The resultant Travel Indices for a number of alternative regional boundary configurations could then be compared easily by inspection—the larger the index the more costly the alternative. See pages 8, and 14 through 20 of the November 1971 study.

After the number of alternatives were narrowed down to a few "best" the indices were converted to dollars of cost and this cost then subtracted from the savings that would result from economies of scale and other factors. See pages 22 and 23 of the November 1971 study.

3. Describe facilities to be vacated or abandoned by move, cost, value, etc., and the cost of new facilities in Denver and Portland and the net financial impact. Show cost to move equipment, etc.

Answer: In Missoula, Ogden, and Albuquerque, we now occupy federally owned space operated by GSA under its regulations. We will vacate approximately 60,000 sq. ft. in Missoula, 70,000 sq. ft. in Ogden, and 40,000 sq. ft. in Albuquerque. We pay no rent in these, but the estimated fair market value on an annual sq. ft. rental basis is: Missoula $4.75, Ogden, $5.00, and Albuquerque $5.00. Details on our needs in Atlanta, Portland, San Francisco, and Denver to implement the new Regional alignment are as follows:

ESTIMATED ONE TIME COSTS OF IMPLEMENTATION

City	Number people	Square feet	Rate	Annual cost
1. New office space needs:				
Atlanta	15	1,500	$10.50	$15,750
Portland	62	6,000	9.23	55,380
San Francisco	26	2,500	9.96	24,900
Denver	73	7,000	7.65	53,550
Total	176			149,580

Trip	Load	Rate per hundredweight	Cost
2. Moving things (furniture, files, equipment, etc.):			
Albuquerque and Ogden to San Francisco.	(26x600#) 15,600	$10	$1,560
Missoula and Ogden to Portland.	(62x600#) 37,200	8	2,976
Missoula and Ogden to Denver.	(73x600#) 43,800	9	3,894
Albuquerque to Atlanta.	(15x600#) 9,000	11	990
Total			9,420

	Cost
3. Refurbish old and new locations	$10,000
Total 1, 2, and 3	169,000

4. BY JOB TITLE LIST PERSONNEL AFFECTED BY PROPOSED TRANSFER

Series	Title	Albuquerque Now [1]	Albuquerque Available [2]	Missoula Now [1]	Missoula Available [2]	Ogden Now [1]	Ogden Available [2]
018	Safety	1	1	1	1		
110	Economist	1	1			2	2
193	Archeology					1	1
201	Personnel management	3	3	2		2	1
203	Personnel clerk	2		9	8	8	2
212	Personnel staffing			2	1	3	2
221	Classification	3	3	3	3	2	2
223	Salary and wage	1	1			1	1
230	Labor management and employee relations			3	2	1	1
235	Employee development	1	1	3	3	1	1
301	General clerk and administration	9	5	17	11	14	1
304						1	
305	Mail and file	2	2	8	3	6	2
312	Clerk-steno	19	8	9	4	20	
316	Clerk DMT	2	2	1		1	
318	Secretary	9	4	11	3	6	1
322	Clerk typist	12	5	18	5	22	3
330	Computer operator	3	3	5	5	4	6
334	Computer specialist	7	5	8	8	12	10
335	Computer aid	1	1	3	3	5	2
341	Administrative officer	2	1	3	3	4	1
342	Office service management	3	2	1	1		
343	Management analysis	4	3	1	1	4	3
344	Management assistant	2	2	2	1	2	
345	Program analysis			3	3		
350							
356	Card punch	5	2	11	4	8	1
359							
371							
401	General biology			2	1	1	1
404	Biology technician	2	1	3	2	1	
414	Entomologist	4	4	5	5	6	7
434	Plant pathologist	1	2	3	3	1	1
454	Range cops.	1		2	1	4	4
456		1					
460	Forester	51	44	51	42	55	42
462	Forester technician	5	1	9	1	5	4
470	Soil scientist	2	1	4	2	2	1
482	Fishery biologist	1	1	1		3	3
486	Wildlife biologist	1		1	2	1	2
501	General accountant	1		4	1	4	1
505							
510	Accountant	7	6	9	6	8	8
520	Account maintenance clerk	3	3	3	2	5	1
525	Accountant technician	1	1	5	3	1	
525	Accountant technician	1	1	5	3	1	
530				1			
540	Voucher examiner	3		6	2	6	1
560	Budget administrator	4	3	3	2	4	2
802	Engineering technician	1	1	14	11	18	14
806	Material engineer	2	1				
807	Landscape architect	2	2	4	4	3	2
808	Architect	1	1	3	3	2	2
810	Civil engineer	18	16	26	25	25	22
818	Engineering drafting	1	1	2	1		
819	Sanitary engineer			1	1		
830	Mechanical engineer	2	2	2	2	1	1
850	Electric engineer			1	1	1	1
855	Electron engineer	1	1			1	1
856	Electron technician	1	1	5	4	2	
880	Mining engineer	4	3	2	1	1	1
963	Legal inst. examiner	7		5	3	7	2
992		1	1	1		1	
998							
1001	General information officer			1	1	1	
1020	Illustrator			1	3		
1060	Photographer			3	3	4	4
1081	Information officer	2	2	1	1		1
1082		1	1	2	1	1	
1083							
1084	Visual information					2	1
1102	Contract and procurement	5	6	14	11	7	5
1105	Purchasing	1		1	1	2	2
1106	Procurement clerk			2			
1170	Realty	1	1				1
1311	Physical science technician			1			
1315	Hydrologist	2	2	3	3	1	1
1350	Biologist	3	3	4	4	1	
1370	Cartographer	3	4	1	1	1	
1371	Cart. technician	15	13	22	7	20	17
1373	Land survey	1	1	1	1	2	1
1380	For Prod. technician			1	1	1	1
1531	Statist assistant	1	1				
1601	Facility management			1	1	2	
1640	Facility maintenance			1			
1670	Equipment specialist	1	1	2	2	2	
1701	General education			1	1	1	1
1702	Education and training technician.	2	1				
1810							
1811	Criminal investigation	3	3	1	1	2	2
2001	General supply			2	1	1	1
2005	Supply clerk			3	1	1	1
2020				1			
2132	Travel clerk			1	1		
2150	Transportation—Operator					1	1
2181	Pilot	5	5	6		11	8
	WG	4	1	35	24	16	2
	Total	272	198	539	272	383	218

[1] Total with status (career or career conditional) RO's Apr. 28, 1973. Excludes Missoula smoke jumper.

[2] Same as 1 above available to move Apr. 1973.

4a. Show estimated cost to transfer, including movement of household goods, sale of home, relocation expense and cost to move family.

Answer: Approximately 400 people will be placed in vacant, financed jobs. These positions must be filled regardless of Standard Region realignment of boundaries. Thus no additional transfer of station costs will be required. 165–180 people will be transferred and placed in new positions. The estimated cost of transfer is $5,000. These additional, one-time, transfer of station costs amount to $825,000–$900,000.

4b. For each position to be "abolished" show results of various inspections over past four years that discuss the position and summarize whether they recommended strengthening or abolishing position.

4c. For each position to be transferred show results of various inspections over past four

years that discuss position and summarize whether they recommended transfer and the reasons therefore and whether they recommended transfer as now planned.

Answer: Individual positions are neither being abolished or transferred. The entire function of providing Regional Office services and administration is being transferred. In essence a new Regional Office is being established. The positions created at that office are to serve the needs of that new Regional area.

Positions are of course audited on a regular basis. The objective of audits however, is not to recommend Regional reorganizations. The audits look at performance of the position, need of position in present organization, proper description of duties and proper classification of those duties.

5. Based on the proposal, show analysis of how cost of doing business and effectiveness will be changed by making the changes advocated.

Answer: This is covered in the November 1971 study.

6. One part of your proposal suggests that New Mexico, which has five National Forests, be attached to the proposed Atlanta Region. However, Alaska, which has three National Forests, is proposed to remain as a Region. Please list the most direct mileage by the most expeditious modes of transportation from:

a. Atlanta to each New Mexico forest headquarters.

b. Albuquerque to each New Mexico forest headquarters.

c. Denver to each New Mexico forest headquarters.

Show the differences in time and cost for each and time as above.

d. Distance from Missoula to each forest headquarters in Region 1 as now existing.

e. Same information from Denver or Portland to each forest in proposed revision.

Show the differences in time and cost for each.

f. Show distance and time from Juneau to each Alaska National Forest.

g. Show same data from each Alaska National Forest to Portland.

Show distance in time and cost for each.

h. Show the key elements of business for each National Forest in Alaska, Region 1, and New Mexico, and using time to travel, distance and cost explain the logic of retaining the Alaska "Region" rather than attaching to Portland, the logic of attaching New Mexico to Atlanta rather than leaving as is or attaching to Denver, and the logic of attaching Region 1 forests to Denver and Portland, rather than leaving "as is".

Answer: This information, as you must realize, is voluminous, involving some 94 National Forests and 500 Ranger Districts in the West and is not available in the format you request. However, our studies of the travel costs were developed through use of modified regression analysis techniques applied to the increased travel cost that would accrue by reason of having larger but fewer regions.

The workload analysis data is available for inspection and was furnished to GAO inspectors. It is also summarized on pages 8 and 14 through 20 of the November 1971 report.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from Wyoming for yielding to me.

(The following colloquy, which occurred during the debate on the supplemental appropriation bill, is printed at this point in the RECORD by unanimous consent.)

Mr. MANSFIELD. Mr. President, my distinguished colleague, Senator METCALF, and I appeared before the Senate Committee on Agriculture and Forestry.

Although I spoke on this subject earlier today I would repeat that the purpose of the appearance was to forestall an attempt by the administration to bring about a reorganization of the Forest Service by means of which the headquarters, at least in part, of region 1 at Missoula, Mont., would be moved approximately 1,000 miles away, to Denver, Colo., an area with which we in Montana have no direct communication facilities. The Ogden, Utah, offices would be dispersed primarily to Denver also but partly to Portland, as well, as would some of region 1 facilities.

The facilities at Albuquerque, N. Mex., would be transferred to Atlanta, Ga., a long, long way from New Mexico.

This was done without the knowledge of the six Senators concerned. We heard rumors about this proposal in the early part of this year. While the Senate was in recess over Easter, the reorganization announcements were made. When the Senate reconvened, the Senators from the three States tried to do everything possible to bring about a rectification of the situation which was inexcusable, unnecessary, and very expensive in our opinion.

At that time I appeared before the committee headed by the distinguished Senator from Nevada (Mr. BIBLE), the chairman of the Interior Subcommittee on Appropriations. At the request of Senators DOMENICI and MONTOYA of New Mexico, BENNETT and Moss of Utah, and METCALF and MANSFIELD of Montana, the following language was inserted in the urgent supplemental appropriations bill:

Providing further that none of the funds currently available or made available under this Act shall be obligated or expended to change the boundaries of any region or establish or abolish any region of the national forest system of the Forest Service.

Mr. President, it was my purpose in asking the distinguished Senator from Arkansas to yield to ask if this proviso was accepted by the House.

Mr. McCLELLAN. It was accepted. The House receded and accepted the Senate provision. I do not even recall that it was even controversial. It was readily agreed to.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BIBLE. Mr. President, I am very intimately acquainted with the problem that the majority leader has directed his attention to.

There was no problem whatever on the House side. They accepted it. In fact, they thought it was good language.

My memory is not clear as to whether they have added it or are going to add it in the regular appropriations bill. I am inclined to believe that they will. And if they have not, I am sure that our majority leader will put it in the regular appropriations bill as well as in the supplemental.

Mr. McCLELLAN. This would be binding only until the 30th of this month. It will be necessary to add it in the new appropriations bill and in the continuing resolution if we are to make certain that they are not permitted to do it after June 30.

Mr. MANSFIELD. Mr. President, does the Senator from Nevada have any further comment?

Mr. BIBLE. Mr. President, the only thing I have to add is that I am of the impression—and I do not have the House report before me—but I am inclined to think that it is already in the House report for Interior appropriations. If it is not, we will attempt to add it in the Senate when we complete our action in the Senate on the Interior appropriations bill about the middle of July.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, I express my appreciation to the distinguished Senator from Nevada and to the distinguished chairman of the full Committee on Appropriations, the distinguished Senator from Arkansas (Mr. McCLELLAN).

Just to make the record straight, the proviso quoted was put in by the Senate Appropriations Subcommittee on the Interior by a unanimous vote of that subcommittee.

Furthermore, when the urgent supplemental was brought before the full Appropriations Committee, it was agreed to unanimously. When the matter was referred to the conferees with the same proviso, it was agreed to unanimously on the part of the conferees representing the other body. In other words, for the information of the Office of Management and Budget and also for the information of the Department of Agriculture, I would suggest that before they make any moves whatsoever which would tend to bring about a reorganization in whole or in part through the transfer of functions or otherwise, they read the RECORD and make absolutely certain that they know what the intent of the Congress was and is—no reorganization.

I am delighted that the distinguished Senator has given me the chance to make these observations for the RECORD, because they will stand the six Senators and the Congressmen from the three States involved in good stead at the appropriate time.

I thank the distinguished chairman of the committee for what he has had to say about this matter.

Mr. BIBLE. Mr. President, if the Senator will yield further, I have checked with my staff man on the Interior Appropriations Committee, and I find that my memory has not faltered completely. The language is written into the supplemental appropriations bill and has been carried over in the regular Interior appropriations bill and has been so marked up on the House side and will be carried over on the Senate side.

Mr. MANSFIELD. I thank the Senator.

Mr. McCLELLAN. I hope we can accomplish this. This was a worthwhile project, that would never have been accomplished with full hearings.

Mr. MANSFIELD. That is right, and it was done in the stealth of the night.

Mr. McCLELLAN. That is right, and we caught them.

Mr. MANSFIELD. The Senator is correct.

(This marks the end of the colloquy which by unanimous consent was ordered to be printed at this point in the RECORD.)

DEFENSE ARTICLES FURNISHED TO FOREIGN COUNTRIES

The Senate continued with the consideration of the bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organizations.

Mr. McGEE. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally assigned to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. McGEE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Wyoming (Mr. McGEE) and the Senator from New York (Mr. JAVITS). On this amendment there is a 2-hour limitation, and some of that time has already elapsed.

Mr. McGEE. Mr. President, I wish to address myself very quickly to the simple factor that is present in this amendment. The request that was handed to us for supporting assistance asked for a total of $100 million for categories that are explained in section 2701 of the bill, but the committee in its judgment readjusted the figure. They added another $25 million to the $25 million already requested for Israel. They subtracted $30 million from the $65 million requested for Jordan. Those were the two major adjustments, though there were some modest adjustments as to the other five countries that were specified in the supporting assistance measure.

My amendment would seek to restore the full amount of the $100 million requested, and add on to that request the additional $25 million that the committee specified for Israel. Under the pending amendment, Israel would indeed receive the $50 million upon which the committee agreed. It is, however, my judgment that in penalizing Jordan to the extent that the committee measure does, we will have tampered disadvantageously with ongoing relative relationships in that particularly sensitive part of the Middle East. Whatever else one says about the problem in that part of the world, Jordan has continued to remain one of the hopes for moderation and stability as we address ourselves to the very difficult question of the Arab-Israeli impasse. For us to so adjust these figures at this time, sensitive as these times are, would risk worsening the chances for balance of conditions and mutual interests there, rather than improving them.

I totally support the addition of the $25 million for Israel. I think it is desperately important at this particular time. Israel has had a considerable drain on her capabilities at very disadvantageous moments, when she has economic problems, when she has a balance-of-payments problem of her own, and where she has a survival issue that has now stretched out over 25 years, this being the 25th anniversary year of her independence.

But, likewise, I think the responsible leaders in Israel would be the first to acknowledge, in fact to stress, that a part of the hope for some moderation as they strive to work out an agreement in that part of the world rests with Jordan. The Government of Jordan has leaned very strongly in the direction of realistic quid pro quos in achieving that compromise. It has been far less emotional. I think, at the same time, that conditions in Jordan economically are much more acute than in almost any other country in the area. It is for those reasons that I urge the Members of this body to restore the full request of $100 million and add the $25 million that the committee inserted additionally for Israel as a part of the total supporting assistance appropriation. The sensitivity of the area, I would think, would justify this addition in the committee bill at this time.

Now, Mr. President, the authorization sent to the Committee on Foreign Relations was for $100 million in addition to $24 million in estimated deobligations of prior year funds, for a total program of $124 million. This included $25 million for Israel, $65 million for Jordan, $15 milion for Thailand, $3 million for Spain, $9.5 million for Malta, $4.2 million as the U.S. contribution for the U.N. peacekeeping efforts in Cyprus, and $2.4 million for an administrative charge.

The bill (S. 1443) as reported out by the committee, I believe, is potentially disruptive of our delicate relations in the Middle East, and unnecessarily so. The committee cut the authorization request for Jordan to $35 million. The cut-in funds for Jordan strikes me as ill-advised.

The Government of Jordan has been following a moderate course, which has been difficult amid the pressures of many of its Arab neighbors. The cut-in funds which this bill imposes would make that course all the more difficult. Jordan would have to turn elsewhere for the assistance it needs. Therefore, the purpose of my amendment is to increase the new obligational authority contained in S. 1443 by $30 million, from $95 million to $125 million.

It is important that my amendment be approved. Jordan is in precarious financial and economic straits. The prospects for peace in the Middle East depend not on Israel alone, but on Jordan as well.

The Jordanian economy is extremely fragile. The country is poor. Nonetheless it must maintain an army able to deal with the various threats from the other Arab countries and the Fedayeen. It simply cannot meet its economic needs without an adequate level of outside support. Economic stability is essential for Jordanian political stability. If the present moderate regime were replaced by a radical one, it would be a substantial threat to Israel in view of the long and relatively exposed border between the two countries.

My amendment would also provide authority for the $4.2 million for the U.S. contribution to the United Nations peacekeeping force in Cyprus and $9.5 million for the U.S. contribution to the costs of Malta peacekeeping mission, where British troops are stationed as part of NATO. Both were removed entirely from S. 1443 in committee. Both seem to me to be proper multilateral efforts in which the United States should continue to make financial contributions, while other nations contribute both funds and military forces.

It is for these reasons that I am hopeful the Senate will adopt my amendment.

Mr. President, I now yield to the distinguished Senator from New York (Mr. JAVITS) whatever length of time he requires.

Mr. JAVITS. Mr. President, I agree with everything the distinguished Senator from Wyoming (Mr. McGEE) has said.

Jordan is in precarious financial straits. I think it is by now quite clear that if we are to have any degree of stability or hope for peace in the Middle East, the integrity of Jordan as a state is a critically important factor. Its economy is fragile. The country is poor. It needs to maintain a military force able to deal with the threats of other Arab countries. It may be remembered that in late 1970 an invasion of Jordan by a large force of tanks from Syria was turned back and the possibility of a broader war avoided only by a hair. In addition, a force originally put into Jordan in the 1967 war by Iraq was found difficult to get out of Jordan. Jordan as a state was in danger of being overwhelmed in September 1970 by the Palestinian guerrillas, who challenged the Government itself.

All of these are important political reasons why the integrity of Jordan as a state is a critically important factor in the peace of the area, and probably peace in the world.

No one contends that this is a big country or a prosperous country, but it happens to occupy a critical piece of geography and to represent also a critically important spirit. One sees there the possible hope for stability in that area of the world.

Jordan is the nearest neighbor to Israel. Indeed, the presence of a great majority of Palestinian refugees on the east and the west banks, makes Jordan the critical factor in what will happen in the area as regards peace and stability.

Under those circumstances, and con-

sidering the fact that I think it is clear that Jordan simply cannot make it without effective economic help, I feel that economic help is desirable—indispensible—for this small country.

I might say, too, Mr. President, that in a nongovernmental effort, in which I had the privilege of being enlisted, in looking toward the economic development of the Middle Eastern area, in company with some of the most outstanding economists in a number of European countries, and in the United States, even from Latin America, there is a consistent opinion that the new 3-year development plan of the Government of Jordan, just offered recently, is auspicious, is realistic, and has a good chance to succeed. The corner can be turned with a great deal of self-help by Jordan. That self-help, I think, is forthcoming in an interesting and impressive way. Indeed, a few months ago, an international conference was held in Amman dealing with the future development of Jordan, at which outstanding economists from many countries participated. We had there representing our group Professor Mason of Harvard. The report that was brought back indicated there was great responsibility, real thoughtfulness and expertise going into the development effort and that it was a practical one and within the parameters of capability for Jordan itself and for those who showed every evidence of being its allies and friends.

For all these reasons, Mr. President, I believe that it would be desirable, in the interests of our country, to extend our help to this small but critically important country, standing right now at the crossroads of its ability to carry on policy, and which is throughout the area about the only one that shows any hope for peace and peaceful coexistence in that part of the world.

It is my judgment that we would be contributing in an essential sense, the sense in which supporting assistance is intended to contribute; that is, the economic backup for basic security to a country whose basic security and mission in the area in which it is engaged is of enough importance to the United States, in terms of our worldwide policy to seek stability and peace, to justify this kind of assistance.

Mr. President, I have not mentioned the obvious. In addition to being a center of danger for the world in terms of disorder, conflagration, or in terms of war, this area is critically important to the world for energy supplies, certainly for the next decade. Therefore, whatever factors could contribute to a more stable situation, promising some hope for an ultimate resolution of the Israeli-Arab conflict in that area, is a highly desirable stance for the United States.

Just one or two other details. I mentioned the fact that if we approve this amendment, we would also be approving supporting assistance for Thailand of $15 million. Although it is well known that I am not at all in accord with the administration on how those forces are being used, that is, in terms of the bombardment of Cambodia, it is nonetheless a fact that until we revise and redesign our Southeast Asia policy, until such time as we find some substitute for the Southeast Asia Treaty Organization, we will be continuing our military presence in that country. Therefore, its stability is important to us. I do not think that the amount of money involved is great enough to warrant our dislocating our relations by withholding $15 million from Thailand. As to the Malta lease agreement, that remains a critical element of the stability and security of the Mediterranean. We are participating in Malta under NATO auspices, multilaterally, and in partnership with our close NATO allies. This is not a go-it-alone case at all.

At the behest of a number of countries—essentially NATO—the United Kingdom made a new lease with Malta, with the understanding that other countries would participate in the rental. The United Kingdom pays 5.7 million pounds a year, which is approximately 1½ times the $9.5 million which is called for in the payment by us. That payment will continue for 5 years beyond this particular provision, as the total lease agreement with the Government of Malta is for a 7-year-term, involving $36 million a year.

The $4.2 million for the United Nations peacekeeping force in Cyprus, again, is an investment in peacekeeping activities by the United Nations in an area which could blow up for two NATO countries, Greece and Turkey, where the danger of war was only narrowly averted just a few years ago by posting a United Nations force there, which thus far seems to have been quite effective. We pay approximately 40 percent of the total which has been required over the years. Since 1964, approximately $100 million has been spent in this activity, of which the United States has contributed $40 million. Other nations which contribute are the United Kingdom, Canada, Sweden, Denmark, and others.

This is a successful experiment in peacekeeping, with a composite international force as a buffer between the Greek and Turkish interests in Cyprus. I think it is very worthwhile, considering what would be the cost to the world, and particularly to the North Atlantic Treaty Organization, if there were a conflagration between the Greeks and the Turks. It could embroil the entire Mediterranean.

For all those reasons, Mr. President, I have joined Senator McGEE in this amendment, and I hope the Senate will see fit to approve it.

Mr. McGEE. Mr. President, if the Senator will yield, I should like to refine for the RECORD a point we discussed previously; that is, to specify in the language of the amendment the amount for Jordan, so that there can be no misunderstanding about the purpose of this amendment to increase the funds.

The staff has recommended that we simply add at the end of the language of the amendment "and not less than $65 million for Jordan."

Does the Senator see any complications if that language were to be added?

Mr. JAVITS. I do not think so. As a matter of fact, as a matter of good faith with the Senate, I think it should be; because the principal reason for this amendment is to provide the added $30 million for Jordan. So let us say it, instead of leaving it to the discretion of the Department of State.

The PRESIDING OFFICER. The yeas and nays have been ordered. If the Senator wishes to modify his amendment, it will require unanimous consent.

Mr. JAVITS. Mr. President, I can propose an amendment; but if Senator FULBRIGHT is agreeable and other Senators who are here are agreeable, I simply ask unanimous consent that these words be added: "and not less than $65 million shall be available solely for Jordan."

The PRESIDING OFFICER. Is there objection?

Mr. FULBRIGHT. Mr. President, reserving the right to object—and I shall not object—the bill does earmark money, which we think is a proper principle. Our only objection to this proposal and others is on the merits—that is, how much one wants to spend on these countries. There is no limit to what they would like. It is a question of how much we can afford.

My argument is not on earmarking, because we ourselves earmark. We specify all this money in the bill, as the Senator will see, and I will discuss it a little more. But I have no objection to earmarking it.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Will the Senator send the modification to the desk in writing?

Mr. McGEE. Yes.

The modified amendment is as follows:

SEC. 2702. (a) There are authorized to be appropriated to the President to carry out this chapter not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel and not less than $65,000,000 shall be available solely for Jordan.

The PRESIDING OFFICER. (Mr. PROXMIRE). The amendment is agreed to by unanimous consent.

Mr. McGEE. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Who yields time?

Mr. FULBRIGHT. Mr. President, I yield myself whatever time is necessary.

I had hoped that a few of my colleagues might appear to be enlightened as to what this amendment is about, but I

have given up on that; so, for the record, I will state a few facts.

Mr. President, the pending amendment would increase the funds for supporting assistance from $95,000,000 to $125,000,000, an increase of 31 percent. These funds are for budget subsidies. They are simply contributions to countries to pay whatever bills they would like to pay, whether they be for military or any other expenses they incur at the time.

The executive branch requested $100 million for this subsidy program, the committee approved $95 million, a 5-percent reduction in the overall amount. However, in keeping with congressional action over the last several years, $50 million was earmarked in the bill for Israel. The executive branch bases its case on Jordan, for which it seeks an additional $30 million to add to the $35 million recommended by the committee. The committee considered this matter very carefully—the points raised now were raised in committee.

After considering the case, the committee voted to increase the funds for Jordan by $15 million over that in the original bill, to a total of $35 million. It is the only country for which an increase was voted by the committee.

In the current fiscal year Jordan received $50 million in grant funds under supporting assistance and $10 million from development loan funds. I see no reason why Jordan cannot be provided with additional funds on a loan basis in fiscal 1974 to supplement the $35 million in grants approved by the committee. This is a matter solely within the discretion of the executive branch in allocating the loan funds which will be provided by Congress.

As to the $4 million contribution requested by the executive branch for a U.S. contribution to the U.N. Cyprus force, this should be handled in the economic aid bill along with other voluntary contributions to U.N. activities.

Finally, as to Malta, another case pointed to by the executive branch, the Europeans should foot the bill on the base-leasing agreement. The United States already puts up far more than its fair share for NATO.

The point is made by the executive branch paper that Jordan "cannot meet its economic needs without an adequate level of outside support." Most Members of this body can make that same argument for their own State where Federal programs and activities are being cut back.

We heard the same arguments made on the floor about cutbacks and so on in the domestic budget last year. I do not think there is any Member who does not receive visits, letters, and phone calls from his constituents every day pleading for restoration of funds for programs they think are essential.

The President has called for holding the line on Federal spending. And in the process he has slashed many domestic programs affecting the daily lives of millions of our citizens. Yet I have not seen any corresponding action by the executive branch to curtail foreign aid—military or economic.

I have heard of no instance in which the Executive has impounded any funds appropriated for military assistance, such as are dealt with in this bill.

Mr. President, foreign aid should share the belt tightening required for domestic programs. The pending amendment would increase the total $25 million above the budget request. The committee would reduce the budget request by only 5 percent.

Mr. President, this is just one further confirmation of the President's allegation that the expensive Congress cannot be controlled and therefore must be subjected to the process of the impoundment of funds. We have heard speeches on the floor in which we have solemnly declared our purpose to restrict purchases and keep the expenses within the budget.

As a general principle, everyone agrees with that. However, when it comes to specifics, in the Middle East and other areas, we proceed to break the budget and give validity to the accusation that Congress is irresponsible in fiscal matters. For years many Members of the Senate have objected to voting for lumpsum authorizations for supporting assistance, or other foreign aid, which the President could distribute as he sees fit. This bill authorizes supporting assistance on a country-by-country basis. Under the bill Congress decides how the funds it authorizes are to be allocated, not the executive branch bureaucracy. It is only another small step to restore Congress power role in the making of national policy.

The pending amendment would strike the country allocations and go back to the old system. It would authorize $125,000,000 which, except for the amount earmarked for Israel, the President could give to any country he pleased.

A special plea has been made for Jordan. There is nothing in this amendment that says the President has to give Jordan a penny, if he chooses not to. He can give it all to Brazil, Taiwan, or Greece. Under the bill recommended by the committee, he cannot allocate the $35,000,000 included for Jordan to any other country.

I hope that the Senate will not reverse its field and vote to give the executive branch unlimited discretion in allocating this money, as the Senator from Wyoming's amendment would do.

If Members are not impressed by the need for some economy of some kind in the spending of our funds, they can vote for this proposal. I think it is very improvident. I think that it is a bad principle. I think that we will live to regret it, if we continue to do as we have been doing here and increasing the amounts in the bill by substantial amounts. This is 25 percent above what the administration requested.

Mr. President, that is all there is to be said about it. The facts are there.

If I were a Russian I would be extremely puzzled by the conflicting views and policies that the Government of the United States follows, and I think they are puzzled. The whole world is puzzled by the inherent inconsistencies of many of our policies, and I do not blame them for it. I certainly am puzzled. I am extremely puzzled by the thrust of our policies, one in one direction and the other in the opposite direction.

But the Senate is a sovereign body. As far as I know, they can work their will. I am prepared, if the Senator is, to yield back the remainder of my time.

Mr. McGEE. I would be prepared to yield it back also, Mr. President, at 12 o'clock, the time of the tentative agreement. I have two or three things to add here in the context of the Senator's statement.

Mr. JAVITS. Mr. President, will the Senator yield me 2 or 3 minutes?

Mr. McGEE. Yes, I will be glad to yield to my colleague. I just wanted to point up the main thrust of this amendment. We are not trying to apply a new formula for everything Congress does. Fortunately, the State of Arkansas and the States of Wyoming have no standing armies, and we live in peace and mutual respect. But as we well know, the Middle East is a volatile area, and could explode at any time. It has been in that condition for a very long while. This really is interwoven with that delicate balance of capabilities that the Arab States and Israel have in relation to each other. As the distinguished chairman of our committee has made very clear, the King of Jordan has met with the committee regularly. He is a very admirable fellow. As a matter of fact, the Government of Jordan is one of the modest moderate hopes; if there is ever to be a settlement in the Middle East it rests on Jordan, perhaps disproportionately, and the burden of trying to achieve stability is disproportionately assessed against them.

That is the reason for the concern expressed in this amendment. In the original request, Israel was to receive $25 million and Jordan $65 million. This was calculated to obtain a kind of balance and adjust the disproportionate incapabilities because of the disposition of the Government of Jordan to work out, short of violence and war, an agreement with its neighbor Israel. But through the wisdom of the committee itself, another $25 million earmarked for Israel, was added to the bill which had the effect of taking it away from Jordan. It is this tampering with what at very best is a delicate series of agreements that impels the Senator from Wyoming and the Senator from New York to seek restoration of the funds for Jordan.

It is not a matter of taking it away from places where it is needed still more; it is a matter of assessing whether this indeed can help us to ease our way through this explosive time in the history of the Middle East without a much larger war, which certainly would engulf us all.

It is with that thought that this amendment to the pending legislation is submitted at this time. It simply would restore the money that the committee, in effect, subtracted from the allocation in funds for the Government of Jordan. That is all there is to it, to try to redress the total fabric of balance in the Middle East, rather than to distort it by committee or floor action in ways that would have little meaning in terms of attaining the opportunity, the chance, for Jordan to survive as an independent entity.

With that, I am happy to yield to the Senator from New York whatever time he may require. We have tentatively agreed on a 12 o'clock voting time.

Mr. JAVITS. I thank my colleague. I shall not take more than 5 minutes.

First, to respond to my chairman and friend, the Senator from Arkansas (Mr. FULBRIGHT), New York does not have the largest per capita income by any means in the country among the 50 States, but it does have the privilege of paying one-fifth of the Nation's taxes. One of our big complaints in New York is that we get back only $1 for every $3 it pays—in taxes. So, voting these matters is no bed of roses for me as a Senator from New York; the tax money comes proportionately very strongly from my State. As I remember Arkansas' proportion, it gets back considerably more than it pays in Federal taxes. Indeed, it is one of the outstanding States, with such two excellent Senators as Mr. FULBRIGHT and Mr. MCCLELLAN, in being able to get much more out of the Federal Treasury than we in New York seem to be able to manage, including various formulas in grant programs, and so forth, which we cannot get.

But, be that as it may, the Senator from Arkansas (Mr. FULBRIGHT) has made the classic argument. We will argue it again in more detail when we take up further matters of foreign aid, and so forth.

But, if we can justify $80 billion for our security, or $74 billion, or $71 billion, or $70 billion, then we can justify spending even a billion dollars not alone just a few hundred million dollars——

Mr. FULBRIGHT. If the Senator will yield there, I do not justify $80 billion. I have not voted to continue that kind of thing. I do not think it is justified.

Mr. JAVITS. I said $72 billion or $73 billion or $71 billion or $70 billion or $69 billion. If we can cut even $2 billion, to avoid the opportunity of contributing to a war, let alone destroying the world, it is worth it. We cannot equate a bridge in New York or a housing project in New York with what we do in Jordan or Israel or in some other country. It is an added burden that we have to carry, just as we have to pay insurance on our automobiles, and so forth. It is a burden, but there is no other way to do it in a country like ours. For a country like ours not to carry part of that burden in the world would be shocking, in my judgment, counterproductive, and not justifiable. I served as a delegate from the United States to the United Nations when the 1-percent target for foreign aid was established, which was decent and honorable. Even if we were poorer, we should respond to that. But, be that as it may, I quite agree with the Senator from Arkansas (Mr. FULBRIGHT) that we have to justify this amendment on its merits and I should like to advert to one or two other points on the merits.

Jordan had an excellent rate of growth between 1948 and the war in 1967. She made a terrible mistake in getting into the 1967 war. It well-nigh destroyed her. Now she is back on the track, in the hope of restoring herself with a record to show that she has the capability of doing so, with self-help, and with an intelligent development plan for her own future.

It is on that basis we are proposing to help her.

Second, in strategic terms, Jordan borders both Iraq and Syria, which countries are known to be radical Arab States, heavily supported by the Soviet Union. Jordan borders on Iraq and Syria, two radical states, and also on Saudi Arabia, the greatest source of energy for Europe and Japan, and, probably tomorrow, for the United States.

The position, therefore, is critical, so far as hope for some stability, sometime, in the Middle East, is concerned. But critical also in immediate strategic terms in terms of energy resources of the world—for the next 10 years—which are concentrated in that particular area.

Mr. President, $30 million is absolutely a lot of money, but in relation to the problems we have, and the order of magnitude of expenditures we could be stuck with if things went wrong, they could do in that area of the world, I respectfully submit that these expenditures are entirely warranted and that they should be made, and I hope the Senate will adopt the amendment.

Mr. McGEE. Mr. President, I am prepared to yield back my time.

Mr. FULBRIGHT. Mr. President, I am prepared to yield back my time.

Mr. NELSON. Mr. President, I did intend to ask a question or two of the Senator from New York, if I could get some time.

Mr. McGEE. I will be glad to yield to the Senator what time he may need. We were trying to aim for a vote at 12 noon, which was the request of the Senator from Wisconsin, and we are trying to honor that.

The PRESIDING OFFICER (Mr. NUNN). Who yields time?

Mr. FULBRIGHT. I will be glad to yield to the Senator from Wisconsin—does the Senator wish me to yield to him?

Mr. NELSON. I want to ask the Senator from New York one or two questions.

Mr. McGEE. Let us yield him time equally.

Mr. FULBRIGHT. I yield 5 minutes to the Senator from Wisconsin if he wishes it.

Mr. NELSON. I do not think it will take that long.

Mr. FULBRIGHT. Then any part of that time.

Mr. NELSON. Mr. President, I thank the Senators from Wyoming and Arkansas very much for yielding me this time.

Mr. President, I missed the debate earlier this morning, so I know that this question may be repetitious. However, what was the request of the administration for supporting assistance for Jordan in the original bill?

Mr. JAVITS. $65 million in the original bill. The administration request for Israel was $25 million. The aggregate request for supporting assistance was $100 million. The committee allowed $95 million, a cut of only $5 million, but it earmarked $50 million for Israel. The result was, in effect, to take it away from Jordan. The purpose of this amendment is to restore the committee cut of $5 million and restore the $25 million which was automatically reduced by the increase in the earmarked allocation for Israel. Israel would now have $50 million and Jordan would have the original request of $65 million, if the amendment passed.

Mr. NELSON. This is supporting assistance, money that the administration is authorized to use but not required to use; is that not correct?

Mr. JAVITS. That is correct, but if they do use any, they will have to use it for Jordan; we have earmarked it that way.

Mr. NELSON. What is the total amount authorized in supporting assistance?

Mr. JAVITS. $125 million.

Mr. NELSON. I thank the Senator from New York very much.

Mr. JAVITS. Mr. President, I thank my colleague from Wisconsin. Mr. President, I am prepared to yield back my time.

Mr. NELSON. Mr. President, I ask unanimous consent that my staff member, Paula Stern, be allowed the privilege of the floor during this rollcall vote and the succeeding debate, and rollcall, if there is one.

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

Mr. FULBRIGHT. Mr. President, I yield back my time.

Mr. McGEE. I yield back my time.

The PRESIDING OFFICER (Mr. NUNN). All the time has now been yielded back.

The question is on agreeing to the amendment, as modified (No. 272).

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 Alaska (Mr. GRAVEL), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), and the

Senator from Iowa (Mr. CLARK) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 65, nays 28, as follows:

[No. 226 Leg.]

YEAS—65

Aiken	Eagleton	Montoya
Allen	Fannin	Moss
Baker	Fong	Muskie
Bartlett	Goldwater	Nelson
Bayh	Griffin	Packwood
Beall	Gurney	Pastore
Bellmon	Hansen	Percy
Bennett	Hart	Ribicoff
Bible	Hartke	Roth
Brock	Hathaway	Saxbe
Brooke	Helms	Schweiker
Buckley	Hruska	Scott, Pa.
Cannon	Hughes	Stafford
Case	Humphrey	Stevens
Chiles	Jackson	Stevenson
Church	Javits	Symington
Cook	Johnston	Taft
Cotton	Kennedy	Thurmond
Curtis	McClure	Tower
Dole	McGee	Tunney
Domenici	Metcalf	Young
Dominick	Mondale	

NAYS—28

Abourezk	Haskell	McIntyre
Bentsen	Hatfield	Nunn
Burdick	Hollings	Pearson
Byrd, Harry F., Jr.	Huddleston	Pell
	Inouye	Proxmire
Byrd, Robert C.	Long	Randolph
Cranston	Magnuson	Scott, Va.
Eastland	Mansfield	Talmadge
Ervin	McClellan	Weicker
Fulbright	McGovern	

NOT VOTING—7

Biden	Mathias	Williams
Clark	Sparkman	
Gravel	Stennis	

So Mr. MCGEE's amendment (No. 272), as modified, was agreed to.

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. MCGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I ask unanimous consent that the order calling for unanimous consent to reconsider the Nelson amendment be vacated.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate, so that all Senators may hear this colloquy?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NELSON. Mr. President, may I ask the Senator from North Carolina whether it is also his intent, if his request is agreed to, to withdraw the request for the yeas and nays and also ask unanimous consent to withdraw the motion to reconsider?

Mr. HELMS. Yes.

Mr. NELSON. Is it also understood by the leadership that there will not be another motion tomorrow to reconsider, since tomorrow would be the final day for such a motion?

Mr. HELMS. I would not want to answer that question. I am speaking only of my intent.

Mr. MANSFIELD. It is our hope that we will be able to complete action on the bill today, with a little luck. I would say that, in my opinion, this unanimous-consent request was made in good faith.

Mr. FULBRIGHT. Why not move to reconsider by a voice vote?

Mr. NELSON. Would the Senator from North Carolina object to simply not requesting a yea-and-nay vote on a motion to reconsider and having a voice vote on a motion to table?

Mr. HELMS. Certainly.

Mr. FULBRIGHT. I have no objection.

The PRESIDING OFFICER. The Chair would observe that unanimous consent would be required to move to table.

Mr. ALLEN. Mr. President, reserving the right to object, the Senator from North Carolina has agreed to withdraw his motion. I see no reason to move to table his motion, which would be a decision by the Senate. I think it would be unfair to ask the Senator from North Carolina to repeat his motion. He has offered to withdraw it.

Mr. MANSFIELD. Mr. President, reserving the right to object—and I shall not object—I would most respectfully request that the distinguished Senator from Wisconsin (Mr. NELSON) and the distinguished Senator from Arkansas (Mr. FULBRIGHT), chairman of the committee, accede to the request of the distinguished Senator from North Carolina and dispose of the matter.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the request for the yeas and nays is rescinded.

Mr. HELMS. Mr. President, I ask unanimous consent that my motion be withdrawn.

The PRESIDING OFFICER. Without objection, the motion to reconsider is withdrawn.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I should like to make a unanimous-consent request that the urgent supplemental appropriation conference report be laid before the Senate and made the pending business, while the present pending business is laid aside temporarily at the hour of 1:15 p.m., and that the vote occur on the question of agreeing to the conference report at the hour of 2:15 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. MCCLELLAN. Mr. President, reserving the right to object, would the Senator make that not later than 2:15? It may not take that much time.

Mr. SCOTT of Pennsylvania. Mr. President, if the Senator will yield, we would rather make it 2:15, as some Senators have engagements.

Mr. MCCLELLAN. There may not be any debate against it.

Mr. SCOTT of Pennsylvania. How about 2:05?

Mr. MCCLELLAN. Very well.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote occur at the hour of 2:05.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, may I say also, for the information of the Senate, that the joint leadership is trying to work out, if at all possible, a reasonable consent agreement so that we may be able to dispose of the pending business today, to get on to other matters besides the supplemental appropriation conference report, such as the Renegotiation Act, which I understand expires as of the end of this month, the debt ceiling, which also has an expiration date, the agriculture appropriation bill, which is of importance, possibly the HUD appropriation bill, as well as other bits and pieces of legislation of significance.

So I am hopeful it would be possible to achieve a meeting of the minds in this respect so that we could get on with the business of the Senate, and hopefully recess this coming Saturday night. If we do not, we would, of course, anticipate coming in next Monday and Tuesday. I hope that does not come to pass.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. PASTORE. Mr. President, a motion was made to reconsider S. 2016, which has to do with Amtrak. The motion was made by the Senator from Indiana (Mr. HARTKE). I was wondering if, somehow, the leadership could not possibly try to negotiate a limited time of debate on the motion to reconsider and also any other amendments to the bill in the event the motion to reconsider carried. The reason for it is that the act expires on June 30, and we do not want the passenger trains to stop between New York and Boston.

Mr. MANSFIELD. We are in the process of trying to negotiate. We hope we will be successful, but we have nothing to report at this time except that we are aware of the Senator's continuing and abiding concern about the transportation system of this country, especially as it goes through Rhode Island.

Mr. PASTORE. I appreciate the flattery, but I would be more interested in the result.

Mr. MANSFIELD. I understand.

CITATION OF RECOGNITION AND APPRECIATION, SENATOR SAM J. ERVIN, JR.

Mr. MANSFIELD. Mr. President, on May 31, 1973, the Democratic Party of Forsyth County, N.C., honored our colleague, Senator SAM J. ERVIN, JR., by holding a rally in Winston-Salem, N.C., which was attended by approximately

3,000 Democrats from all of the counties in that area of North Carolina.

At that time, the Democratic Executive Committee of Forsyth County presented to Senator ERVIN, who was the chief speaker at the meeting, a citation of recognition and appreciation for his services to the people of North Carolina. I ask unanimous consent that a copy of this citation be printed at this point in the body of the RECORD.

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

CITATION OF RECOGNITION AND APPRECIATION, SAM J. ERVIN, JR., U.S. SENATOR FROM NORTH CAROLINA

Because you have served this State and Nation well since undertaking your first public office 50 years ago, and because you have distinguished yourself and honored the people of North Carolina so consistently through these five decades, the Democratic Party of Forsyth County says "Thank You" on this occasion.

You have embraced and upheld basic values of our way of life and have stood tall in support and defense of them. You have made us feel a deep sense of the dignity of man, of his nature and of his high destiny. You have sought justice, argued for freedom, demanded that rights not be abridged. You have reminded the nation that the Constitution of the United States of America is the foundation of all that has evolved here since its adoption and that the whole superstructure will topple if this foundation is undermined or weakened.

And you have held to your position with firmness, but with engaging humor and down-to-earth wisdom. You have told appropriate stories, mostly with homespun Tar Heel settings, when government officials, the press and the public needed clarification of your viewpoint. You have quoted the Bible when the basic values therein reinforced America's basic values. You have communicated well.

As a former member of the State Legislature for six years, as a judge in three levels of our State Courts for 14 years, as a Representative in Congress for 2 years, as a delegate to the Democratic National Convention on 4 occasions, as a United States Senator for 19 years, and as a neighborly, loveable, friendly human being you have earned our love and affection as well as our respect and admiration.

Done this 31st day of May, 1973, in Winston-Salem, Forsyth County, North Carolina.

WAYNE A. CORPENING,
Chairman.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislation clerk proceeded to 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.

ORDER FOR YEAS AND NAYS ON SUPPLEMENTAL APPROPRIATION CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, just on the possibility that a request might be made, and as long as we have enough Senators on the floor, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the urgent supplemental appropriation conference report.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

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

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

DEFENSE ARTICLES FURNISHED TO FOREIGN COUNTRIES

The Senate continued with the consideration of the bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organizations.

Mr. HATHAWAY. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD at this point.

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

The amendment is as follows:

On page 3, in the table of contents, immediately below item 3303, insert the following:

"Sec. 3304. Public disclosure of certain munitions control licenses."

On page 48, between lines 9 and 10, insert the following:

PUBLIC DISCLOSURE OF CERTAIN MUNITIONS CONTROL LICENSES

SEC. 3304. Section 414 of the Mutual Security Act of 1954 is amended by adding at the end thereof the following new subsection:

(e) Licenses issued for the export of articles on the United States Munitions List in excess of $100,000 shall be reported promptly to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, which report shall contain:

(1) the items to be exported under the license;

(2) the quantity of each such item to be furnished;

(3) the name and address of the consignee and of the ultimate user of each such item; and

(4) An injunction whenever appropriate, concerning the necessity to protect the confidentiality of the information provided.

Mr. HATHAWAY. Mr. President, yesterday I offered an amendment, which was defeated by some three votes, pertaining to the matter that this amendment now contains. This is a watered-down version of that amendment, but still provides for some notification by the State Department of export licenses that it has issued, immediately after the fact.

I understand, from talking with personnel in the State Department, that it would be a relatively easy matter to simply add on the requirements that this amendment calls for, so that the list of munitions export licenses that have been granted in any one day would be forwarded immediately thereafter to both the Foreign Relations Committee of the Senate and the Foreign Affairs Committee in the House.

I understand that the chairman of the committee is agreeable to this amendment, and I think the other side is also.

Mr. GRIFFIN. Mr. President, I was one of those who spoke in opposition to the earlier amendment offered by the distinguished junior Senator from Maine (Mr. HATHAWAY), pointing out a number of reasons why it would cause difficulty.

While, I do not think this amendment is necessary, I would state for the record that it would not cause the difficulties that were mentioned before.

Mr. President, under the circumstances, I do not believe that it would be useful to seek to have a rollcall vote in an effort to defeat this amendment. So for my part I believe that it would probably be better to agree to the amendment and let it go to conference.

Mr. FULBRIGHT. Mr. President, I have no objection to the amendment. I have discussed it with the Senator from Maine. It is largely for the purpose of keeping the Congress informed of what goes on. I would be perfectly willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine (putting the question).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STEVENS. Mr. President, I send an amendment to the desk for myself and the Senator from Massachusetts (Mr. KENNEDY) and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk proceeded to state 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.

The amendment is as follows:

On page 32, line 11, after "Sec. 3101." insert "(a)".

On page 32, after line 20, insert the following:

(b) (1) Any such sale, loan, lease, gift, or transfer of a non-combatant type vessel or boat may be made only:

(i) if the head of the Agency of the United States Government making the disposition obtains satisfactory assurances that the vessel or boat will not be used in any way in competition with the United States fishing industry; and

(ii) after the disposition and the terms, price, and conditions thereof have been noticed in the Federal Register, members of the United States fishing industry, states and political subdivisions thereof, and United States educational and scientific institutions given a chance to acquire the vessel or boat on the same terms, price and conditions as the proposed transferee, and no qualified bid has been received.

(2) The appropriate Agencies of the United States are authorized and directed to carry out the provisions of subsection (b) (1) (ii) of this section and to issue the necessary rules and regulations.

(3) No lease, loan, or other agreement previously entered into between the United States and any foreign country or international agency for any non-combatant type vessel or boat shall be renewed or extended except in conformity with this Act.

Mr. STEVENS, Mr. President, I am introducing an amendment today on behalf of myself and the Senator from Massachusetts (Mr. KENNEDY), that will amend section 3101 of S. 1443, the Foreign Military Sales and Assistance Act, to protect our fishing industry. This amendment will add a new subsection (b) to section 3101, which concerns transfers of military vessels and boats.

The amendment provides that any such disposition of a noncombatant type vessel or boat may be made only if two conditions are met: First, after the proposed disposition has been published in the Federal Register along with its terms, conditions, and price, the U.S. fishing industry, States, and political subdivisions, as well as U.S. educational and scientific institutions must be given a chance to acquire the vessel or boat on the same terms, conditions, and price as the foreign government. The vessel or boat may be transferred only if no qualified bid is received. Second, assurance must be given to the Federal Government that the vessel or boat must not be used in any way in competition with the U.S. fishing industry.

Our amendment further provides that the appropriate agencies of the Federal Government are empowered to transfer these vessels and boats to these domestic interests on equivalent terms, conditions, and at an equivalent price. It provides all necessary authorization for this purpose.

Finally, the amendment provides that no presently existing lease or other agreement may be renewed or extended except if there is a provision inserted that the vessel shall not in the future be used in competition with the U.S. fishing industry.

The purpose of our amendment is twofold—first to insure that these vessels do not come back in competition with our domestic fisheries and second to insure that our domestic fishing interests are given the first opportunity to acquire these vessels on the same terms, conditions, and price as foreign governments. It is our intent that our domestic interests should have the first opportunity to acquire these vessels. Only if there is no interest domestically in these vessels, should they be transferred to a foreign nation.

Pages 35–41 of the committee report list a large number of U.S. ships on loan-lease to foreign countries as of March 21, 1973. Many of these are research vessels which would be particularly useful to our domestic fishing industries. I would like to cite several examples. As of March 21, we had lent/leased a 63-foot hydrosound boat to Colombia; a 52-foot hydrosound boat to Costa Rica; a 52-foot hydrosound boat to El Salvador; an AGOR—oceanographic research ship—to Greece; a 52-foot hydrosound boat to Iceland; two hydrosound boats to Korea; another oceanographic research ship and a 52-foot hydrosound boat to Nicaragua; an AGS—a reclassified oceanographic ship—to Portugal; a PCER—modified research subchaser—and an IX—experimental ship—to the Republic of Vietnam.

These vessels are valuable research tools. At a time when the U.S. fishing industry is in dire straits, we should not divest ourselves of our remaining research capability without careful consideration.

Many of these research vessels are large. For example, the *Charles H. Davis*—T–AGOR 5—which has been lent/leased to Nicaragua, is a 1,200-ton vessel, formerly with the Military Sea Transport Service. This is one of the first class of ships that were designed and built by the U.S. Navy for oceanographic research. *Jane's Fighting Ships* indicated this vessel has instrumentation and laboratories to measure the earth's gravity and magnetic fields, water temperature, sound transmission in water, and the geological profile of the ocean floor.

The T–AGS 25, the *Kellar*, which has been lend/leased to Portugal is another 1,200-ton vessel. It is of the same general class as the *Davis*. It has, however, different instrumentation and equipment. It was previously operated by the MSTS for the naval oceanographic office.

The hydrosound boats are small vessels often carried aboard large oceanographic ships and useful for mapping the ocean floor and making other measurements.

All of these vessels might be useful additions to our fishing industry and our educational institutions. They would also be of assistance to our State and local governments which engage in research activities in this area. These domestic interests should have a chance to obtain these vessels on the same terms and conditions as foreign governments.

The amendment covers other vessels of a noncombatant type as well. There are a number of light cargo ships—AKL's—landing ships—LST's—and other support vessels and transports which could easily be converted either domestically or by a foreign government, for use in a fishing industry, or for use as research vessels in the oceanographic and fishing research areas. Our two concerns still apply—that these vessels not be utilized to aid in competition with our domestic fishing industry and to permit our own domestic fishing interests to acquire them first. Although this section, as I understand it, is limited to military transfers, it is difficult to say that a transfer of such a vessel or boat for the purpose of feeding military troops and a civilian population in a national emergency could not be considered such a military purpose.

I am particularly concerned about the problem because for some time citizens of the Pacific Northwest have been interested in reactivating several vessels—the *Kellez* and the *Miller Freeman*—which were on active duty as research vessels of the National Marine Fisheries Service. Due to budgetary limitations, I have been informed that they will not be fully deployed this year. The *Kellez* is presently laid up. This vessel is a former converted Navy AKL, similar in both construction and configuration to many of the vessels—approximately seven—that have been lent/leased to foreign nations. Because the foreign nations can obtain such vessels which are potentially useful to the fishing industry and also for domestic fishing research at a fraction of their cost, I believe our domestic fishing interests should have the first opportunity to acquire them on the same terms, conditions, and price.

It is unclear from the wording of Section 3101, whether other military vessels, including such research and support vessels, could be utilized under the present lend/lease program. On the assumption that they could, non-Navy vessels—such as National Marine Fisheries Service vessels—should also not be transferred prior to giving our domestic fishing industry and the other specified domestic interests an opportunity to acquire them as provided in the amendment. If they are so transferred, specific provision should be made that they not be utilized in support of competition with our domestic fishing industry.

I request unanimous consent to insert into the RECORD at this point a copy of a letter I received and which was addressed to Chairman MAGNUSON from the Secretary Treasurer of the Alaska Fishermen's Union on the MV *George Kellez*.

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

ALASKA FISHERMEN'S UNION,
Seattle, Wash., February 8, 1973.

Senator WARREN MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAGNUSON: We recently wrote to you concerning NOAA's position that our fisheries research vessels should come under the Atlantic Dry Cargo rate set by the National Maritime Union. This is still a very big problem, but a larger one has been presented to us—the Administration is now curtailing the research fleet. It is incomprehensible that the *last* North Pacific research vessel classified for high seas operations (the MV *George B. Kelez*) would be phased out at this time.

The Kelez is to be deactivated on March 5 and put up for sale. She has just come out of the shipyard, following an overall job in excess of $200,000; her crewmen tell us she is in the best condition she has ever been since first being employed as a research vessel. She is a small vessel, requiring a crew of only 15 men, but she is ideally suited to do the high seas salmon research we so desperately need, along with the other research in which she has been engaged. When one considers the large continental shelf area in the North Pacific and the tremendous amount of fisheries resources present there, it is inconceivable that we would limit ourselves to

2 small, slow, antiquated vessels (the MV *Oregon* and MV *John N. Cobb*), each carrying a crew of just 7 men.

We would greatly appreciate any effort you can make to retain the Kelez on active status, and, for the future, to remove the impoundment of funds for the MV *Miller Freeman* which has been tied to the dock for over 2 years for lack of funds, even though a special appropriation was made by the Congress to reactivate this vessel.

Down through the years we have attended many meetings where joint research in the North Pacific with foreign nations has been discussed, but it is not feasible that we could fulfill our obligations without the research vessels to carry out these programs. It is a disgrace that we have to utilize foreign research facilities to learn about our own fisheries in waters adjacent to our coast, but if this is the best we can do, we at least ought to carry out our part of the joint research.

We hope you will be able to maintain the MV *George B. Kelez* and to implement the reactivation of the MV *Miller Freeman* in the near future.

Sincerely yours,

ALASKA FISHERMEN'S UNION.

Mr. STEVENS. Mr. President, other vessels which would have direct use in the fishing industry are the fleet tugs and the auxiliary tugs which have been lent/leased to foreign countries. I note from the committee's list, that approximately 11 fleet tugs—ATF's—and 7 auxiliary tugs—ATA's—were on loan/lease to foreign countries as of March 21 of this year. These vessels, of course, are very useful for servicing and repairing distant water fishery vessels. They can provide the support necessary to maintain distant water fisheries. The same holds true for a number of repair ships that are on loan/lease.

Our amendment would:

First. Prohibit these vessels and boats from being used in any way in competition with U.S. fishing industry. This would cover such use in our coastal fisheries as well as in the coastal fisheries of a foreign nation if our fishermen were also in that fishery. It would also prohibit their use on the high seas in competition with our fishermen. Of course, if an agreement could be worked out between that nation and our Nation to protect our own fishing industry, our amendment would be satisfied.

Second. The amendment would also require that the appropriate Federal agency publish notice of the disposition of the vessels as well as the terms, price, and conditions of the disposition in the Federal Register. Members of the American fishing industry, States and political subdivisions, as well as American educational and scientific institutions, would have to first be given a chance to acquire the vessels on the same terms, price, and conditions. Only if no qualified bids were received, would such a vessel be eligible for a military transfer.

The amendment specifically authorizes and directs the appropriate agency of the Federal Government to transfer these vessels to these domestic sources. It permits each agency to establish the detailed procedures for such transfers and to promulgate the rules and regulations necessary.

Paragraph (b)(2) specifically grants the agencies of the Federal Government the necessary authority and directs them to carry out the mandates of the amendment.

Paragraph (b)(3) provides that no lease, loan, or other agreement which has previously been entered into shall be renewed or extended except in conformance with paragraph (1)(B). It is in my belief necessary that any such renewal or extension specifically provide that the vessel or boat not be used in competition or to aid in competition with our domestic fishing industry unless the lease, loan or other agreement already provides that it shall be renewable or extended only on the same terms as the original document.

The amendment is specifically designed to protect our fishing industry and the other segments of our population who could utilize the information obtained from the services of these vessels and boats.

This amendment does not prohibit an agreement being reached which provides that the vessels could be used by foreign nations and the information shared by the segments of the American population that are interested. However, such an arrangement would have to be agreeable to our fishing industry and other concerned groups. This would require a determination on a case-by-case basis. The intent of the amendment is only to ensure that our fishing industry and other interested groups are protected when the transfer of these vessels is contemplated.

Mr. President, this amendment deals with the transfer of noncombatant type vessels under the provisions of this act. It seeks to obtain certain assurances that any vessel or boat transferred to a foreign country under the provisions of this act would not be used in competition with the U.S. fishing industry.

It further seeks to assure that if such vessel could be used in competition with the American fishing industry, it be made available first to the American fishing industry on the same terms and conditions relating to prices and other conditions as it would be made available to the foreign country.

The amendment would also seek to assure that no renewal of any existing lease, loan, or other agreement on the noncombatant type of vessel would be made unless it was in compliance with the spirit and terms of this amendment and this act.

I believe that this amendment is necessary in view of the examination we have made of vessels that have been transferred in the past—vessels that are of a type readily convertible and usable in the fishing industry—to assure that these vessels that have been constructed under the defense program not be turned over to foreign nations before having been made available to our industry if they are capable of being converted into fishing vessels and used in the U.S. fishing industry.

Mr. FULBRIGHT. Mr. President, I have no objection to the amendment. It is simply intended to prevent any further competition to our fishing industry through the sale of boats at reduced prices to foreign countries. It is a very good amendment.

Mr. STEVENS. The amendment seeks mainly to assure that these vessels are available to our fleet first.

Mr. FULBRIGHT. I think it is a good amendment.

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

Mr. President, I am puzzled by this amendment, the pagination of which is wrong, by the way. The Senator may wish to correct it. If I may ask the Senator a question or two, I would appreciate it.

As I understand, the thrust of the amendment is that where any vessel or boat is usable—I suppose is what he means—in the fishing industry, then the U.S. fishing industry—whatever that may mean—must be given the opportunity to acquire the vessel or boat on the same terms, price, and conditions as the proposed transferee.

There is no limitation of time on that whatever, for one thing, and for another it is obvious to me that nobody is going to bid on the U.S. vessels where a bid is simply going to be an option for somebody else to bid the same price. So I cannot see any sales by the United States of any such vessels under this situation.

I realize the desire of the Senator to protect the U.S. fishing industry and to give it a first call on vessels which could be suitable for it, but I frankly do not see that the amendment is drafted in such a way as to accomplish that without crippling the U.S. opportunity to deal with any such sales, loans, leases, et cetera.

I ask the Senator, is there any departmental report on this amendment?

Mr. STEVENS. My response to the Senator is, "No." Incidentally, the Senator does not have the star print of the bill that is before the Senate, and my amendment is keyed to the star print.

Mr. JAVITS. Mr. President, I have the distribution which is made by the pages of the bill which is supposedly before the Senate.

Mr. STEVENS. It is my understanding that a star print of the bill is the one that is before the Senate.

Mr. JAVITS. All right; that is fine.

Mr. STEVENS. If the Senator will examine the report of the committee commencing on page 35, he will find a listing of U.S. ships on loan or lease to foreign countries. We have examined these and compared them to Jane's publication on vessels of the world, and we find that a great many of them are in fact capable of being used in the fishing industry.

This is one thing I have spoken out on this floor about before: the making available of vessels constructed with public funds to foreign nations for use in their fisheries. Very frankly, the concept that is involved in this amendment would make those vessels available for disposition, whether by sale or loan or lease, so long as it is consistent with this act.

There are principles already established whereby surplus vessels are made available for bid by U.S. industries. Those procedures, I am certain, would be followed. I have not spelled the procedures out in this amendment; the Senator is correct. But the amendment would permit the transfer by sale, loan, lease, or gift to the U.S. industry only after these procedures have been complied with.

Mr. JAVITS. Then may I ask the Senator why he does not draft his amendment, instead of the way he has drafted it—which makes it impossible to sell anything and sets no time limit on bids by other parties—in terms of a reference to the procedures? In other words, just simply incorporate by reference the procedures by which this takes place, and give a preference to the U.S. fishing industry. Let that definition be described by regulation. I do not mind the preference, but I think the way the Senator has done it sets a new kind of procedure, and immobilizes the United States from selling any such vessels. I do not think he intends to do that.

Mr. STEVENS. On the contrary, what I intend to do is to make sure that the only vessels of those types sold to foreign nations are those for which there is no U.S. purchaser.

Mr. JAVITS. I agree with that, but why not do that before there is any transaction with a foreign buyer, by following what the Senator himself describes as "certain procedures"? I do not know what they are, but if the amendment could be drafted according to that, I agree it is fair. But if we nullify a sale after it is made, nobody is going to buy anything from the United States if they have to advertise it and then, after the terms are met, it could be sold out from under them to a buyer in the U.S. fishing industry.

Mr. STEVENS. I say to the Senator, concerning the vessels we are talking about, they are not available to the U.S. industry because they are made available to foreign nations under this program without complying with the procedures.

Mr. JAVITS. I agree, let us make the procedures apply, but not what the Senator has done. Under this amendment, the United States cannot sell a single such vessel. I know a little bit about business, and no one is going to bid on this and let the bid be used as a guaranteed price whereby others can bid against it. Let the United States do this before we make any sale transaction.

I agree with the Senator on that, but I do not see how he can tie down the United States after it has made a sale.

Mr. President, I think the only thing I can do with this at the moment, as I am the only member of the Foreign Relations Committee on the floor, and the chairman of the committee seems to be willing to accept the amendment, is either amend it or oppose it.

Mr. STEVENS. I wish the Senator from New York would examine the amendment again in terms of what it says. We thought we were being very fair to this program. It merely says that once these agencies make up their minds that they are going to dispose of an American vessel, they may determine the terms and conditions, the price, et cetera. They then shall put the notice of the proposed transfer in the Federal Register, and if anyone in the American fishing industry wants to buy it on those terms and those conditions, he may do so. If no one comes in under those terms and conditions, previously determined by the managers of this program—not by the American fishing industry, but determined by these agencies—then, if they are willing to meet the same terms and conditions and pay the same price, the vessel will be sold to the Americans. Otherwise, it will be sold abroad. The American fishing industry does not have anything to do with determining the price. That price will continue to be set as it is today—by the manager of the program. He is not going to say, "We are going to disregard the foreign bid."

I, too, am familiar with American business, particularly the shipping and fishing businesses, and this is the procedure followed today in the disposition of naval vessels in this country. The only difference is that these vessels are taken outside of that program and not made available to Americans before a deal is negotiated with foreign countries.

Look at the list of vessels already on lease or loan to Korea, for instance, which at the present time has some 100 vessels off the shores of Alaska. I would be happy to trace with the Senator the list of the various vessels, if he would like to see the size and type of vessels to which I refer.

All I am saying is that once the managers decide they are going to sell a vessel under certain terms and conditions, they must notify the American public that that is about to be done, and if anyone in the American industry wants to buy a vessel on those terms at the price they have set, he can do so.

The Senator from New York is talking about a situation in which our Government advertises for a bid and then disregards that bid. There are no bids here. The managers of the program set the price they will take for a vessel, and presently, if foreign nations want to buy it, they can obtain the vessel. All we are saying is that first it be made available to the American industry for the same price.

Mr. JAVITS. Mr. President, as I read the amendment, it does not read the way the Senator describes it.

Mr. STEVENS. Let me read the terms of the amendment, if the Senator from New York will——

Mr. JAVITS. I do not need a primer, if I may tell the Senator what I object to. The amendment says:

> Any such sale, loan, lease, gift, or transfer of a non-combatant type vessel or boat may be made only:

I assume the word "disposition" under letter (i) refers to a sale, loans, lease, gift, or transfer.

Now, if there has been a sale, loan, lease, gift, or transfer, then it is not an intention to dispose, it is a disposition, and that is what I object to.

If the Senator will say exactly what he has just argued in his amendment, instead of what I read it to be, then he and I will have no disagreement, provided he puts in a time limit within which a bid can be made, or says within such time as the Secretary by regulation may establish. That is all right, too.

But you cannot make it without any time limit, and you cannot make it refer to a deal. That is all I am talking about.

Mr. STEVENS. If the Senator wishes, on page 2 of my amendment, after the first two lines, to add, after the word "received," the words "within a time limit specified by the Secretary," I would have no objection.

Mr. JAVITS. That is fine. Now as to the word "disposition," what is the Senator's position on that? Does not that infer the fact that an agreement for disposition has been made?

Mr. STEVENS. There are two things they must find, if I may point them out to the Senator from New York. First, that no one has bid on the same terms and conditions that happen to be in paragraph "ii," but when they do make disposition, we want them also to obtain the assurance that the foreign nation will not put any vessel that is, in fact, transferred, into competition with the American fishing industry. We have these vessels already subject to disposition—oceanographic vessels, subchasers, which are easily convertible. This disposition is, in fact, what the Senator says. One is, no one bids on the same terms and conditions as under paragraph (ii), and second, we put terms and conditions on the sale—that it will not be used in the fishing fleet of a foreign nation.

Mr. JAVITS. The Senator is asking for two things, not one.

Mr. STEVENS. I said at the time I introduced the amendment that we had two things in mind and I thought they were made very clear. We went to the trouble of having the amendment checked out by legislative counsel very thoroughly, and we also checked it out with our good friend from Massachusetts (Mr. KENNEDY) because of his interest in the American fishing fleet and he is a cosponsor of the amendment.

There are two things here (1) not to sell it to a foreign nation unless no American is willing to buy it on the same terms, conditions, and prices; and (2) that even if they do obtain the disposition, such vessel will not be used in competition with the American fishing fleet.

Mr. JAVITS. I am sorry to take all this time. I had no intention of getting into this, but there is no one on the floor from the Foreign Relations Committee at this moment except me.

The second item says—

> After the disposition and the terms, price, and conditions thereof have been noticed.

Therefore, I think this amendment needs to be redrafted to say that when the Secretary proposes to dispose, and, if he should do so and so, give notice of whether he proposes to dispose, that he intends to offer for sale upon certain terms and conditions as published, then if within the time fixed by him he does not get a similar or contrary bid, he is free to do so and when he does dispose, then the vessel will not be used in competition with the U.S. fishing industry. I would think it would be more precise to say that the vessel will not be used

in the fishing industry, I assume that is what the Senator means. They may run passenger lines or a navy, and so forth—we do not know; so I assume what the Senator means is that it will not be used in the fishing industry in competition with the U.S. fishing industry.

So if the Senator would not mind withdrawing the amendment for the moment and then putting it in again after we vote on the next matter, in the way we have described it here, I have no objection.

Mr. STEVENS. My understanding is that this is the last amendment.

Mr. JAVITS. No, it is not. We will be going on afterward to vote on the conference report. I would urge the Senator to redraft the amendment, and if he will do exactly as we say here, I will have no objection.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HARRY F. BYRD, JR. Mr. President, the amendment offered by the Senator from Alaska (Mr. STEVENS) brings to mind that the Department of the Navy is planning, right now, to dispose of, by sale, 33 naval vessels, including 3 to go to Chile. I do not know whether the Senator from Alaska is aware of that or not, but I plan to put into the RECORD the names of the 33 ships of the U.S. Navy for which negotiations are now in progress, for sale to various nations of the world.

I became involved in this as chairman of the Subcommittee on General Legislation of the Committee on Armed Services.

Here is a little history which I think the RECORD should show.

Under present law, the Navy must come to Congress for authorization and approval of any loans of naval vessels to foreign countries. But there is another provision in the law by which the Navy can sell vessels to foreign countries and not have to come to Congress.

Thus, on May 9, 1973, I drafted legislation and submitted it to the Senate, S. 1773, which would require congressional approval of the sale of any naval vessels. That was approved by the Senate on May 21.

I ask unanimous consent to have the text of S. 1773 printed in the RECORD.

There being no objection, the text of S. 1773 was ordered to be printed in the RECORD, as follows:

S. 1773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (1) of section 7305 of title 10, United States Code, is amended to read as follows:

"(1) Except as provided in subsection (a), no vessel of the Navy may be sold in any manner other than that provided by this section, or for less than its appraised value, unless the sale thereof is specifically authorized by law enacted after June 30, 1973."

SEC. 2. The amendment made by the first section of this Act shall not apply in the case of any Navy vessel with respect to which a written agreement to sale was entered into prior to June 30, 1973.

Mr. HARRY F. BYRD, JR. Mr. President, certainly it is not very logical to me for the law to require that the Navy come to Congress to make loans on naval vessels, when another part of the law permits the Navy to make the sale of those vessels without coming to Congress.

Thus, by passage of S. 1773, that would be prevented. Now, on the same day I introduced this legislation; namely, on May 9, I addressed a letter to the Secretary of the Navy. It is a brief letter which I will now read into the RECORD:

DEAR MR. SECRETARY: The Subcommittee on General Legislation of the Armed Services Committee has a continuing interest in the disposal of major combatant vessels to foreign countries. I would appreciate it if you would advise me whether the U.S. Government is currently conducting negotiations for the sale of major combatant ships to any foreign country. If such sales are under negotiation, please provide the names of the ships and the country with whom such sales are pending.

Your expeditious response will be appreciated.

Mr. President, I received a reply on May 19, in which eight ships are listed.

The letter states in part as follows:

The following major combatant ships are presently under negotiation for sale to foreign countries as indicated:

That, presumably, represented all the ships which the Navy was negotiating for sale to foreign countries.

Mr. President, now I get another letter, on June 1, listing seven additional ships.

I received another letter, dated June 3, listing 18 more ships.

So that there is now a total of 33 ships which are being proposed to be sold to various countries around the world. This was done to circumvent what will become the law at the end of this month. I feel that the Navy is not being completely fair with Congress in taking this action prior to the end of June. On the negotiations which were in progress on May 9, at the time the legislation was introduced, it was certainly proper to go ahead with them; but I do not think, while it might be technically proper for the Navy to go ahead with other negotiations for the sale of vessels without first coming to Congress, it is not an appropriate practice or one that the Navy should utilize in an effort to get around congressional intent.

Mr. STEVENS. Will the Senator from Virginia yield so that I may ask him a question?

Mr. HARRY F. BYRD, JR. I am glad to yield to the Senator from Alaska.

Mr. STEVENS. Does not the Senator's bill pertain to combatant vessels?

Mr. HARRY F. BYRD, JR. Yes.

Mr. STEVENS. I invite the Senator's attention to the fact that my amendment pertains only to noncombatant vessels that are capable of being used in the fishing industry, and the committee's report lists those ships which are already on loan or leased to foreign countries. This is how we got into it. We checked out those vessels against Janes and found that many of them, in fact, are capable of being used in fishing pursuits.

We are dealing with a segment of the problem of the naval vessels of this country different from the portion covered by the Senator's bill, S. 1773, which I support. I think the Senator has a very good point, but I want to make sure he understands that my amendment does not cover the area covered by the bill the Senate has passed at his request.

Mr. HARRY F. BYRD, JR. Incidentally, I support the amendment of the Senator from Alaska. But S. 1773 says "no vessel of the Navy," so it would apply to any vessel which the Navy might own.

I wanted to get the facts into the record concerning this sale of ships by the Navy to foreign countries. As I mentioned earlier, the law requires the Navy to come to Congress for the loan of ships, but another section of the law permits the sale of ships. It does not seem very logical to me to prevent the loan of ships without congressional approval but to permit the sale of ships without congressional approval.

So the intent of the legislation I introduced, as well as the intent of section 3101 of the pending measure, is to require congressional approval.

After all, we are dealing with government property, and very expensive government property. I have written the Department of the Navy, seeking to get the date of construction and the construction cost of these 33 vessels which the Navy plans to sell, as well as the selling price and whether the United States will be paid in dollars or in foreign currency.

Mr. President, I ask unanimous consent to have printed in the RECORD the correspondence between the Senator from Virginia and the Department of the Navy dealing with this matter.

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

MAY 9, 1973.

Hon. JOHN W. WARNER,
Secretary of the Navy,
Washington, D.C.

DEAR MR. SECRETARY: The Subcommittee on General Legislation of the Armed Services Committee has a continuing interest in the disposal of major combatant vessels to foreign countries. I would appreciate it if you would advise me whether the U.S. Government is currently conducting negotiations for the sale of major combatant ships to any foreign country. If such sales are under negotiation, please provide the names of the ships and the country with whom such sales are pending.

Your expeditious response will be appreciated.

Sincerely,

HARRY F. BYRD, JR.,
Chairman, Subcommittee on General Legislation.

DEPARTMENT OF THE NAVY,
Washington, D.C., May 19, 1973.

Hon. HARRY F. BYRD, Jr.,
Chairman, Subcommittee on General Legislation, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to reply to your letter of 9 May 1973 concerning the sale of major combatant ships to foreign countries.

The following major combatant ships are presently under negotiation for sale to foreign countries as indicated:

ACTIVE U.S. NAVAL SHIPS—FISCAL YEAR 1974 RETIREMENTS

Ship:	Country
U.S.S. BUCK (DD-761)	Brazil.
U.S.S. J.C. OWENS (DD-776)	Do.

LOAN SHIPS

Ex-U.S.S. ship	Country	Public Law authority	TRF date	Loan expiration	Remarks
Mapiro (SS-376)	Turkey	85-532	Mar. 18, 1960	Mar. 18, 1975	(1).
Mero (SS-378)	do	85-532	Apr. 20, 1960	Apr. 20, 1975	(1).
Pomfret (SS-391)	do	91-682	July 1, 1971	July 1, 1976	
Thornback (SS-418)	do	91-682	do	do	
Entemedor (SS-340)	do	92-270	July 31, 1972	July 31, 1977	
Threadfin (SS-410)	do	92-270	Aug. 18, 1972	Aug. 18, 1977	

[1] Extended by Public Law 88-437.

Sincerely,

FRANK SANDERS,
Under Secretary of the Navy.

DEPARTMENT OF THE NAVY,
Washington, D.C., June 1, 1973.

Hon. HARRY F. BYRD, Jr.,
Chairman, Subcommittee on General Legislation, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is to advise you of our plans to transfer the following ships, under the authority of the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, to the countries indicated. You were previously notified of our negotiations concerning the *USS Buck* (DD-761) and the *USS J. C. Owens* (DD-776) in response to your letter of May 9, 1973. In view of your Committee's interest in the disposal of vessels to foreign countries, you will be notified of all subsequent transfers prior to initiation of a formal offer to the recipient country.

Ship	Country	Method	Expected transfer date	Status
U.S.S. Windham County (LST-1170).	Turkey	FAA loan	June 1, 1973	Accepted.
U.S.S. Vernon County (LST-1161)	Venezuela	do	June 5, 1973	Do.
U.S.S. Defiance (PG-97)	Turkey	do	June 11, 1973	Do.
U.S.S. Skylark (ASR-20)	Brazil	Sale	June 30, 1973	Offer approved.
U.S.S. Nantahala (AO-60) (hull only).	Chile	do	July 2, 1973	Do.
U.S.S. J. C. Owens (DD-776)	Brazil	do	July 16, 1973	Accepted.
U.S.S. Buck (DD-761)	do	do	do	Do.

Sincerely yours,

E. K. SNYDER,
Rear Admiral, USN, Chief of Legislative Affairs.

DEPARTMENT OF THE NAVY,
Washington, D.C., June 8, 1973.

Hon. HARRY F. BYRD, Jr.
Chairman, Subcommittee on General Legislation, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is to advise you of our plans to sell the following ships, under the authority of the Foreign Military Sales Act, to the countries indicated. Required Washingon inter-agency staffing is in process and the offers will be made in about 30 days.

Ships, country and present status:

Plaice (SS-390), Brazil, Loaned under PL 85-532, 7 Aug 61.

Booth (DE-170), Philippines, Loaned under PL 89-320 15 Dec 67.

Kimberly (DD-521), Republic of China, loaned under PL 89-398, 2 Jun 67.

Mapiro (SS-376), Turkey, Loaned under PL 85-532, 18 Mar 60.

Mero (SS-378), Turkey, Loaned under PL 85-532, 20 Apr 60.

Pomfret (SS-391), Turkey, Loaned under PL 91-682, 1 Jul 71.

Thornback (SS-418), Turkey, Loaned under PL 91-682, 1 Jul 71.

Heminger (DE-746), Thailand, Loaned under PL 85-532, 22 Jul 59.

Stone County (LST-1141), Thailand, Loaned under FAA of 1961 3 Mar. 70.

Entemedor (SS-340), Turkey, Loaned under PL 92-270 31 Jul 72.

Threadfin (SS-410), Turkey, Loaned under PL 92-270 18 Aug 72.

Sioux (ATF-75), Turkey, Leased under 10 USC Section 2667 30 Oct 68.

Whitley (AKA-91), Italy, Leased under 10 USC Section 2667 31 Oct 66.

D. H. Fox (DD-779), Chile, Offer approved.

Charles S. Sperry (DD-697), Chile, Offer approved.

Staffing approval for transfer of the following ships has been received and the transfer dates have been established as indicated.

Ship Country Authority

Trigger (SS-564), Italy, Transfer by sale 10 July 1973 FMS Act.

Rupertus (DD-851), Greece, Transfer by loan 10 July 1973 PL 82-270.

Eversole (DD-789), Turkey, Transfer by sale 11 July 1973 FMS Act.

Sincerely yours,

E. H. WILLETT,
Captain, U.S. Navy, Chief of Legislative Affairs, Acting.

Mr. HARRY F. BYRD, JR. I think the Senator from Alaska has a desirable amendment, and I am glad to support it.

Mr. STEVENS. Mr. President, we will confer with the Senator from New York.

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. STEVENS. 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. STEVENS. Mr. President, I ask unanimous consent that I may withdraw this amendment. We will submit a modified amendment later today.

The PRESIDING OFFICER. The amendment is withdrawn.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, anncunced that the House insisted upon its amendment to the bill (S. 795) to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PERKINS, Mr. BRADEMAS, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, Mr. QUIE, Mr. ESHELMAN, and Mr. LANDGREBE were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1994) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The ACTING PRESIDENT pro tempore (Mr. LONG) subsequent signed the enrolled bill.

OUR MEN IN CAMBODIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the June 30, 1973, issue of The New Republic.

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

OUR MEN IN CAMBODIA

Phnompenh.—The United States embassy in Cambodia, never a very serene establishment, has become riven with dissension, largely as a result of the military's having gained dominance over the civilians. The opposing sides cannot necessarily be determined by who wears mufti and who wears

a uniform, for the two top civilians in the embassy—Ambassador Emory C. Swank and Deputy Chief of Mission Thomas O. Enders—have reportedly endorsed the military position that more arms aid and more bombing are the best available methods for ending the war in Cambodia. Conversely a number of junior military officers are distressed at what they consider the embassy's unwillingness to report the ineptitude and corruption of the Lon Nol government and its armed forces. Pessimistic reports by these military officers and, more often, by middle-level civilian officials are sometimes censored before being sent to Washington, and on occasion quashed completely.

Ambassador Enders, a bright, fast-rising diplomat at the age of 41, was recently promoted to FSO–1, the same rank held by Ambassador Swank, who is 51 and who, with considerably more overseas experience, has a reputation as a mature diplomat. Enders is chairman and deciding voice of the five-man embassy panel that holds a daily secret meeting to screen all requests from the Cambodian high command for air strikes by giant B–52 bombers and F–111 swing-wing jets based in Thailand. (Embassy approval of air strikes is passed on to Seventh Air Force headquarters in Thailand for the final approval and action.) Ambassador Swank, though he is said to be kept informed, does not sit on the embassy panel.

A third key personality at the embassy, a member of the bombing panel, is Brigadier General John R. D. Cleland, a soldier with paratrooper background. As head of the US military aid program in Cambodia, he commands the largest bloc at the 200-man embassy—the approximately 75 military personnel on his Military Equipment Delivery Team. Since General Cleland outranks the Defense attaché, who is a colonel, he has taken over, by self-nomination or otherwise, as the senior military adviser to the ambassador. "He's a hawk," says another military officer in Phnompenh who knows him well. "A bomb-Hanoi type. He has no political acumen at all."

The political section of the embassy—known for its balanced reporting and refusal to wax optimistic when the facts did not support it—is being dissolved and will be swallowed by the political-military section. The chief of the political section, William N. Harben, was sent back to Washington a couple of months early, before his normal tour was up. Middle-level officials at the embassy have been reduced to collecting notes and data on events in Cambodia and passing on this raw material, without any evaluation of its significance, to the upper reaches of the embassy, where all analysis for Washington is now done.

Ambassador Enders—who has had no military experience, having specialized in economics—takes professional pride in his new role as chief of the embassy's air-war activities. He has told visitors that "the bombing has been very successful. We've inflicted heavy casualties on the other side." (The embassy refused to release any bomb-casualty figures, and other military sources in Phnompenh call most of the embassy's assessments "absolutely worthless" because they are rarely based on eyewitness reports of dead enemy bodies.)

General Cleland has become virtually inaccessible to the press, granting interviews only to "trustworthy" newsmen. Other officials, such as the Defense attaché, Colonel Ray L. Burnell, Jr., can be seen only with the ambassador's approval. In any event, most interviews at the embassy are attended by a monitor—a member of the embassy's information office—which tends to inhibit the frankness of the official being interviewed. Even diplomats from other Western embassies complain that their sources at the American mission are drying up. "They've become twitchy, almost paranoid," one said. The twitchiness has sometimes assumed ridiculous proportions. Late last year newsmen were barred from the movies shown nightly at the embassy. A few days later, when a low-echelon embassy official, as a friendly gesture, took some newsmen to watch the same movies at the residence of the embassy's marine guards, the marine residence was quickly put off limits to the press. After two weeks the embassy stopped giving informal morning briefings to the press, because the Cambodian military complained that the Americans were giving out more information than the Lon Nol government wanted.

After a story appeared in *The New York Times*—based in part on monitored radio conversations of the air war that established the embassy's key role, as well as bombing confusion and the lack of effective safeguards against civilian destruction—the radio frequencies were hastily changed from those that could be overheard on a regular commercial VHF radio set to secret "secure" UHF bands.

The embassy's top officials not only insulate themselves from the press but from the Cambodian reality around them. Mr. Swank and Mr. Enders are driven everywhere in late-model American cars whose metal has been reinforced and whose windows contain one-and-a-half-inch-thick bullet-proof glass. Guards with Israeli-made submachine-guns accompany them at all times. Mr. Swank's car is also escorted by a jeep-load of Cambodian troops and a couple of motorcycle outriders. "He's much more under house arrest than most political prisioners," one US official commented.

SUPPLEMENTAL APPROPRIATIONS BILL, 1973—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of the conference report on H.R. 7447.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on the supplemental appropriations conference report be equally divided between and controlled by the distinguished chairman of the Committee on Appropriations (Mr. McCLELLAN) and the distinguished ranking member of that committee (Mr. YOUNG).

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. McCLELLAN. I yield myself 5 minutes, Mr. President, I submit a report of the committee of conference on H.R. 7447, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. NUNN). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7447) making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

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

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 19, 1973, at pp. 20177–20178.)

Mr. McCLELLAN. Mr. President, this bill passed the House of Representatives on May 10, 1973, was reported to the Senate from the Committee on Appropriations on May 18, 1973, passed the Senate on May 31, 1973, and was sent to conference by the House of Representatives on June 5. The second supplemental was a highly controversial appropriation bill, containing 84 disagreements.

The first conference was held on June 5. Further conferences were held on June 11, 12, 14, and 18. The conference report was filed in the House of Representatives June 19.

Budget estimates for the second supplemental amounted to $3,607,105,504, and the final conference agreement includes appropriations in the amount of $3,362,845,279, which is a reduction in the budget estimates of more than $244 million.

The statement on the part of the managers of the two Houses is included in House Report 93–295 and explains the action agreed to in conference on all of the 84 matters in disagreement.

The most controversial amendment in the bill prohibited the use of funds to continue the bombing in Cambodia and in Laos. This amendment was offered by the Senator from Missouri (Mr. EAGLETON) and was unanimously approved by the full committee and adopted by the Senate by a vote of 63 to 19. In the conference on June 18, 1973, the managers on the part of the House agreed to take back to the full House the Senate language against further bombing in Cambodia.

Yesterday, the House twice rejected efforts to change the stronger antibombing language contained in the Eagleton amendment before voting final approval of the entire bill by voice vote. First, the House rejected an amendment which would have delayed the bombing halt for 60 days. Then, it voted to recede from its disagreement to the Senate's Cambodian provision.

Mr. President, I ask unanimous consent to have printed in the RECORD a tabulation which shows the amounts of the budget estimates, the amounts in the House and the Senate bills, and the amounts agreed to in conference for each individual item.

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

2D SUPPLEMENTAL APPROPRIATIONS, 1973—H.R. 7447

SUMMARY

Chapter No.	Department or activity	Budget estimate	Recommended in House bill	Amount recommended by Senate	Conference agreement
	TITLE I—GENERAL SUPPLEMENTALS				
I	Agriculture—Environmental and Consumer Protection:				
	New budget (obligational) authority	$47,100,000	$33,387,000	$72,105,000	$59,387,000
	By transfer from Sec. 32		(21,960,000)	(21,960,000)	(21,960,000)
II	Defense:				
	New budget (obligational) authority:				
	1973	143,500,000	123,627,000	123,627,000	123,627,000
	1972	30,400,000	17,598,000	22,598,000	21,248,000
	1971	72,001,000	16,958,000	23,834,000	20,000,000
	1969	7,947,225	50,000	165,000	151,000
	Total	253,848,225	158,233,000	170,224,000	165,026,000
	By transfer	(500,000,000)		(170,000,000)	(75,000,000)
III	District of Columbia:				
	Federal funds: New budget (obligational) authority	8,500,000		8,500,000	0
	District of Columbia funds:				
	New budget (obligational) authority	(65,480,000)	(64,830,000)	(64,830,000)	(64,830,000)
IV	Foreign Operations: New budget (obligational) authority	738,000	700,000	700,000	700,000
V	Housing and Urban Development, Space, Science, and Veterans			25,000,000	20,000,000
VI	Interior and related agencies:				
	New budget (obligational) authority	96,498,000	57,638,000	100,666,000	67,281,000
	By transfer	(13,250,000)	(8,600,000)	(8,429,000)	(8,179,000)
VII	Labor, and Health, Education, and Welfare:				
	New budget (obligational) authority	1,163,715,000	1,028,844,000	1,358,084,000	1,116,784,000
	By transfer	(42,000,000)		(42,000,000)	0
	Limitations on administrative and nonadministrative expenses	(148,107,000)	(147,649,000)	(147,649,000)	(147,649,000)
VIII	Legislative branch:				
	New budget (obligational) authority	20,502,250	20,597,250	20,886,250	20,597,250
	By transfer	(298,000)	(298,000)	(298,000)	(298,000)
IX	Public Works	85,200,000	70,600,000	103,600,000	103,350,000
X	State, Justice, Commerce, and Judiciary:				
	New budget (obligational) authority:				
	1973	523,568,000	215,835,000	563,258,000	541,572,000
	1972	26,000	26,000	26,000	26,000
	Total	523,594,000	215,861,000	563,284,000	541,598,000
	By transfer	(1,000,000)	(500,000)	(1,000,000)	(1,000,000)
XI	Transportation:				
	New budget (obligational) authority	49,646,000	43,883,000	43,883,000	43,883,000
	Intragovernmental transactions	(24,669,000)	(24,669,000)	(24,669,000)	(24,669,000)
	By transfer	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)
XII	Treasury, Postal Service, and General Government	315,667,000	305,539,000	309,527,000	309,527,000
XIII	Claims and Judgments	23,108,029	20,368,059	23,108,029	23,018,029
	Total, title I—General supplementals:				
	New budget (obligational) authority:				
	1973	2,477,742,279	1,921,018,309	2,752,944,279	2,429,816,279
	1972	30,426,000	17,624,000	22,624,000	21,274,000
	1971	72,001,000	16,958,000	23,834,000	20,000,000
	1969	7,947,225	50,000	165,000	151,000
	Total	2,588,116,504	1,955,650,309	2,799,567,279	2,471,241,279
	By transfer	(559,798,000)	(34,608,000)	(246,937,000)	(109,687,000)
	Limitation on administrative and nonadministrative expenses	(148,107,000	(147,649,000	(147,649,000)	(147,649,000)
	Intragovernmental transaction	(24,669,000)	(24,669,000)	(24,669,000)	(24,669,000)
	TITLE II—INCREASED PAY COSTS				
	New budget (obligational) authority	1,018,989,000	899,891,900	899,672,000	891,604,000
	By transfer	(88,237,036)	(87,543,536)	(87,969,776)	(87,969,776)
	Limitation on administrative and nonadministrative expenses	(1,458,700)	(1,458,700)	(1,458,700)	(1,458,700)
	Grand total—Titles I and II:				
	New budget (obligational) authority:				
	1973	3,496,731,279	2,820,910,209	3,652,616,279	3,321,420,279
	1972	30,426,000	17,624,000	22,624,000	21,274,000
	1971	72,001,000	16,958,000	23,834,000	20,000,000
	1969	7,947,225	50,000	165,000	151,000
	Total	3,607,105,504	2,855,542,209	3,699,239,279	2,362,845,279
	By transfer	(648,035,036)	(122,151,536)	(334,906,776)	(197,656,776)
	Limitation on administrative and nonadministrative expenses	(149,565,700)	(149,107,700)	(149,107,700)	(149,107,700)
	Intragovernmental transaction	(24,669,000)	(24,669,000)	(24,669,000)	(24,669,000)

H. Doc. No.	Department or activity	Budget estimate	Recommended in House bill	Amount recommended by Senate	Conference agreement
	CHAPTER I				
	TITLE I—AGRICULTURAL PROGRAMS				
	Department of Agriculture				
	Science and education				
	Agricultural Research Service	0	0	$18,000	0
93-16	Animal and Plant Health Inspection Service	$12,100,000	$12,100,000	12,100,000	$12,100,000
	Marketing Services				
	Agricultural Marketing Service (sec. 32)		(21,960,000)	(21,960,000)	(21,960,000)
	TITLE III—ENVIRONMENTAL PROGRAMS				
	ENVIRONMENTAL PROTECTION AGENCY				
	Abatement and Control	0	6,287,000	6,287,000	6,287,000
	Department of Agriculture				
S. Doc. 93-15	Soil Conservation Service: Watershed and Flood Prevention Operations	[1] 20,000,000	12,500,000	20,000,000	20,000,000
S. Doc. 93-15	Agricultural Stabilization and Conservation Service: Emergency Conservation Measures	[1] 15,000,000	2,500,000	15,000,000	15,000,000

Footnotes at end of table.

H. Doc. No.	Department or activity	Budget estimate	Recommended in House bill	Amount recommended by Senate	Conference agreement
	TITLE IV—CONSUMER PROGRAMS				
	DEPARTMENT OF AGRICULTURE				
	Food and Nutrition Service: Child Nutrition Programs	0	0	$18,700,000	$6,000,000
	Total, Ch. I:				
	New budget (obligational) authority	$47,100,000	$33,387,000	72,105,000	59,387,000
	Transfer from sec. 32		(21,960,000)	(21,960,000)	(21,960,000)
	CHAPTER II				
	DEPARTMENT OF DEFENSE—MILITARY				
	Military personnel				
93-16	Military personnel, Navy:				
	1972	[2] 30,400,000	17,598,000	22,598,000	21,248,000
	1971	[2] 72,001,000	16,958,000	23,834,000	20,000,000
	1969	[2] 7,947,225	50,000	165,000	151,000
	Total, Military personnel, Navy	[2] 110,348,225	34,606,000	46,597,000	41,399,000
	Reserve personnel, Navy	4,800,000	2,427,900	2,427,000	2,427,000
	Reserve personnel, Air Force	2,300,000	1,000,000	1,000,000	1,000,000
	Retired military personnel				
93-16 and 93-79	Retired pay, Defense	83,600,000	83,000,000	83,000,000	83,000,000
	Operation and maintenance				
93-16	Operation and maintenance, Army	10,600,000	7,800,000	7,800,000	7,800,000
	Operation and maintenance, Navy	5,900,000	4,000,000	4,000,000	4,000,000
	Operation and maintenance, Air Force	33,200,000	23,800,000	23,800,000	23,800,000
	Operation and maintenance, Defense agencies	(3,100,000)	(1,600,000)	(1,600,000)	(1,600,000)
	Joint Chiefs of Staff	60,000	50,000	50,000	50,000
	Defense Supply Agency	3,037,000	1,550,000	1,550,000	1,550,000
	Defense Investigative Service	3,000			
	General provisions				
93-66	Sec. 735. Transfer authority	(500,000,000)		(170,000,000)	(75,000,000)
	Total, Chapter II:				
	New budget (obligational) authority:				
	1973	143,500,000	123,627,000	123,627,000	123,627,000
	1972	30,400,000	17,598,000	22,598,000	21,248,000
	1971	72,001,000	16,958,000	23,834,000	20,000,000
	1969	7,947,225	50,000	165,000	151,000
	Total	253,848,225	158,233,000	170,224,000	165,026,000
	(By transfer)	(500,000,000)		(170,000,000)	(75,000,000)
	CHAPTER III				
	DISTRICT OF COLUMBIA				
	Federal Funds				
93-16	Federal payment to the District of Columbia	8,500,000		8,500,000	0
	District of Columbia Funds				
	operating expenses				
93-76	General operating expenses	684,000	684,000	684,000	684,000
93-76	Public safety	21,538,000	21,538,000	21,538,000	21,538,000
93-76	Education	7,250,000	7,250,000	7,250,000	7,250,000
93-76	Human resources	6,800,000	6,500,000	6,500,000	6,500,000
93-76	Settlement of claims and suits	158,000	158,000	158,000	158,000
	Total, operating expenses	36,430,000	36,130,000	36,130,000	36,130,000
	capital outlay				
93-76	Capital outlay	29,000,000	28,700,000	28,700,000	28,700,000
	Gratnd Total, District of Columbia funds	65,430,000	64,830,000	64,830,000	64,830,000
	Toal, New budget (obligational) authority (Federal funds)	8,500,000		8,500,000	0
	CHAPTER IV				
	FOREIGN OPERATIONS				
	Funds Appropriated to the President				
	economic assistance				
93-79	Administrative and other expenses, State	102,000	100,000	100,000	100,000
	Department of State				
93-79	Migration and refugee assistance	636,000	600,000	600,000	600,000
	Total, Chapter IV, New budget (obligational) authority	738,000	700,000	700,000	700,000
	CHAPTER V				
	FEDERAL COMMUNICATIONS COMMISSION				
93-16	Salaries and expenses	Language	Language	Language	Language
	VETERANS ADMINISTRATION				
----------	Assistance for Health Manpower Training Institution			25,000,000	20,000,000
	Total, Chapter V, new budget (obligational) authority			25,000,000	20,000,00

Footnotes at end of table.

2D SUPPLEMENTAL APPROPRIATIONS, 1973—H.R. 7447—Continued

SUMMARY—Continued

H. Doc. No.	Department or activity	Budget estimate	Recommended in House bill	Amount recommended by Senate	Conference agreement
	CHAPTER VI				
	DEPARTMENT OF THE INTERIOR				
	Bureau of Land Management				
93-16	Management of lands and resources	$19,000,000	$17,177,000	$18,500,000	$18,500,000
	Bureau of Indian Affairs				
93-16	Resources management	5,000,000	2,036,000	2,900,000	2,900,000
	Bureau of Mines				
S. Doc. 93-15	Helium fund	34,000,000	----------	34,000,000	----------
	National Park Service				
	Construction	----------	----------	3,100,000	3,100,000
	Total, Department of the Interior	58,000,000	19,213,000	58,500,000	24,500,000
	RELATED AGENCIES				
	DEPARTMENT OF AGRICULTURE				
	Forest Service				
	Forest protection and utilization:				
93-16	Forest land management	34,895,000	38,425,000	38,948,000	39,563,000
	By transfer from Forest research	(4,250,000)	(3,600,000)	(3,429,000)	(3,179,000)
	By transfer from State and private forestry cooperation	(9,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
	American Revolution Bicentennial Commission				
93-16	Salaries and Expenses	2,868,000	----------	2,868,000	2,868,000
	Pennsylvania Avenue Development Corporation				
93-16	Salaries and expenses	735,000	----------	350,000	350,000
	Total, Related Agencies	38,498,000	38,425,000	42,166,000	42,781,000
	By transfer	(13,250,000)	(8,600,000)	(8,429,000)	(8,179,000)
	Total, Ch. VI:				
	New budget (obligational) authority	96,498,000	57,638,000	100,666,000	67,281,000
	By transfer	(13,250,000)	(8,600,000)	(8,429,000)	(8,179,000)
	CHAPTER VII				
	DEPARTMENT OF LABOR				
	Manpower Administration				
----------	Manpower training activities	----------	----------	44,500,000	----------
93-16	Advances to the extended unemployment compensation account	74,000,000	----------	----------	----------
	Labor Management Services Administration				
93-16	Salaries and expenses	422,000	----------	----------	----------
	Employment Standards Administration				
93-16	Salaries and expenses	832,000	832,000	832,000	832,000
93-16	Federal workmen's compensation benefits	26,300,000	26,300,000	26,300,000	26,300,000
	Bureau of Labor Statistics				
93-16	Salaries and expenses	1,200,000	----------	----------	----------
	Departmental Management				
93-16	Salaries and expenses	40,000	----------	40,000	40,000
93-16	Special foreign currency program	209,000	----------	----------	----------
	Total, Department of Labor (new budget (obligational) authority)	103,003,000	27,132,000	71,672,000	27,172,000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
	Health Services and Mental Health Administration				
----------	Mental health	----------	----------	2,000,000	0
----------	Health services planning and development	----------	12,000,000	52,000,000	17,000,000
	National Institutes of Health				
----------	National Cancer Institute	----------	----------	60,000,000	0
----------	National Eye Institute	----------	----------	5,000,000	0
----------	Health manpower	----------	----------	29,400,000	2,100,000
	General research support grants	----------	----------	13,900,000	----------
	Research training programs	----------	----------	24,100,000	----------
	Office of Education				
----------	Education for the handicapped	----------	----------	26,300,000	13,800,000
93-16	Higher education	247,510,000	226,510,000	260,510,000	243,510,000
93-16	Student loan insurance fund	17,593,000	17,593,000	17,593,000	17,593,000
	SOCIAL AND REHABILITATION SERVICE				
93-16	Grants to States for public assistance	614,066,000	614,066,000	614,066,000	614,066,000
----------	Nutrition program for the elderly	100,000,000	50,000,000	100,000,000	100,000,000
	Social Security Administration				
93-16	Supplemental security income program	77,207,000	77,207,000	77,207,000	77,207,000
93-16	Limitation on salaries and expenses (trust fund)	(146,649,000)	(146,549,000)	(146,549,000)	(146,549,000)
	Special Institutions				
93-16	National Technical Institute for the Deaf	1,915,000	1,915,000	1,915,000	1,915,000
	Total, Department of Health, Education, and Welfare, new budget (obligational) authority	1,058,291,000	999,291,000	1,283,991,000	1,087,191,000
	(Limitation on salaries and expenses)	(146,549,000)	(146,549,000)	(146,549,000)	(146,549,000)

H. Doc. No.	Department or activity	Budget estimate	Recommended in House bill	Amount recommended by Senate	Conference agreement
	RELATED AGENCIES				
	Action	($42,000,000)		($42,000,000)	0
	Railroad Retirement Board				
93-16	Limitation on salaries and expenses	(1,558,000)	($1,100,000)	(1,100,000)	($1,100,000)
	United States Soldiers' and Airmen's Home				
93-16	Operation and maintenance	356,000	356,000	356,000	356,000
	Capital outlay	2,065,000	2,065,000	2,065,000	2,065,000
	Total, Related Agencies	2,421,000	2,421,000	2,421,000	2,421,000
	By transfer	42,000,000		42,000,000	0
	Trust funds	(1,558,000)	(1,100,000)	(1,100,000)	(1,100,000)
	Total, Chapter VII:				
	Federal funds, new budget (obligational) authority	1,163,715,000	1,028,844,000	1,358,084,000	1,116,784,000
	By transfer	(42,000,000)		(42,000,000)	0
	Trust funds	(148,107,000)	(147,649,000)	(147,649,000)	(147,649,000)
	Total	1,353,822,000	1,176,493,000	1,547,733,000	1,264,433,000
	CHAPTER VIII				
	LEGISLATIVE BRANCH				
	House of Representatives				
	Payments to widows and heirs of deceased Members of Congress				
	Gratuity, deceased member		42,500	42,500	42,500
	Salaries, mileage for the Members, and expense allowance of the Speaker				
93-79	Mileage of Members and expense allowance of the Speaker	2,000	2,000	2,000	2,000
	Salaries, officers and employees				
93-79	Committee on Appropriations (investigations)	275,000	275,000	275,000	275,000
	Contingent expenses of the House				
93-3	Miscellaneous items	1,000,000	1,000,000	1,000,000	1,000,000
93-79	Stationery (revolving fund)	336,250	336,250	336,250	336,250
	Portrait of Speaker		2,500	2,500	2,500
	Total, contingent expenses of the House	1,336,250	1,338,750	1,338,750	1,338,750
	Total, House of Representatives	1,613,250	1,658,250	1,658,250	1,658,250
	Office of Technology Assessment				
	Salaries and expenses			289,000	0
	Architect of the Capitol				
	Capitol Building and Grounds				
93-91	Capitol building	1,475,000	1,475,000	1,475,000	1,475,000
	(By transfer)	(298,000)	(298,000)	(298,000)	(298,000)
93-90	Modifications and enlargement, Capitol Power Plant	17,400,000	17,400,000	17,400,000	17,400,000
	Additional parking facilities for congressional employees		50,000	50,000	50,000
	Total, Architect of the Capitol	18,875,000	18,925,000	18,925,000	18,925,000
	(By transfer)	(298,000)	(298,000)	(298,000)	(298,000)
	Botanic Garden				
93-91	Salaries and expenses	14,000	14,000	14,000	14,000
	Total, Chapter VIII:				
	New budget (obligational) authority	20,502,250	20,597,250	20,886,250	20,597,250
	(By transfer)	(298,000)	(298,000)	(298,000)	(298,000)
	CHAPTER IX				
	DEPARTMENT OF DEFENSE—CIVIL				
	Department of the Army				
	Corps of Engineers—Civil				
93-79	Flood control and coastal emergencies	84,600,000	70,500,000	103,000,000	103,000,000
	RELATED AGENCIES				
	Federal Power Commission				
93-16	Salaries and expenses	100,000	100,000	100,000	100,000
	Water Resources Council				
93-16	Water resources planning	500,000		500,000	250,000
	Total, ch. IX: New budget (obligational) authority	85,200,000	70,600,000	103,600,000	103,350,000
	CHAPTER X				
	DEPARTMENT OF STATE				
	Administration of foreign affairs:				
93-79	Salaries and expenses	3,900,000	3,700,000	3,700,000	3,700,000
93-79	Representation allowances	21,000			
93-79	Acquisition, operation, and maintenance of buildings abroad	3,165,000	3,000,000	3,000,000	3,000,000
93-79	Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	435,000	435,000	435,000	435,000
93-79	Payment to Foreign Service retirement and disability fund	836,000	836,000	836,000	836,000
	Total, administration of foreign affairs	8,357,000	7,971,000	7,971,000	7,971,000

Footnotes at end of table.

2D SUPPLEMENTAL APPROPRIATIONS, 1973—H.R. 7447—Continued

SUMMARY—Continued

H. Doc. No.	Department or activity	Budget estimate	Recommended in House bill	Amount recommended by Senate	Conference agreement
	CHAPTER X—Continued				
	DEPARTMENT OF STATE—Continued				
	International organizations and conferences:				
93-16 } 93-79 }	Contributions to international organizations and conferences	$9,167,000	$9,167,000	$9,167,000	$9,167,000
93-79	Missions to international organizations	87,000	85,000	85,000	85,000
93-79	International conferences and contingencies	245,000	200,000	200,000	200,000
	Total, International organizations and conferences	9,499,000	9,452,000	9,452,000	9,452,000
	International Commissions				
	International Boundary and Water Commission, United States and Mexico				
93-16	Construction	12,881,000	10,000,000	10,000,000	10,000,000
	Educational Exchange				
93-79	Mutual educational and cultural exchange activities	364,000	250,000	250,000	250,000
	Total, Department of State	31,101,000	27,673,000	27,673,000	27,673,000
	DEPARTMENT OF JUSTICE				
	Legal activities and general administration				
93-16	Fees and expenses of witnesses	500,000	500,000	500,000	500,000
	Federal Prison System				
93-16	Salaries and expenses, Bureau of Prisons	1,350,000	900,000	900,000	900,000
93-16	Support of U.S. Prisoners	2,500,000	2,500,000	2,500,000	2,500,000
	Total, Federal prison system	3,850,000	3,400,000	3,400,000	3,400,000
	Total, Department of Justice	4,350,000	3,900,000	3,900,000	3,900,000
	DEPARTMENT OF COMMERCE				
	Domestic and International Business Administration				
93-79	Salaries and expenses	412,000	350,000	350,000	350,000
93-16	Participation in U.S. expositions	8,000,000	6,500,000	8,000,000	8,000,000
	Total, Domestic and International Business Administration	8,412,000	6,850,000	8,350,000	8,350,000
	Total, Department of Commerce	8,412,000	6,850,000	8,350,000	8,350,000
	THE JUDICIARY				
	Supreme Court of the United States				
93-16	Printing and binding Supreme Court reports, 1973	61,000	61,000	61,000	61,000
93-16	Printing and binding Supreme Court reports, 1972	26,000	26,000	26,000	26,000
	Total, Supreme Court of the United States	87,000	87,000	87,000	87,000
	Courts of Appeals, District Courts, and other Judicial Services				
93-16	Salaries of Judges	500,000	500,000	500,000	500,000
93-16 } 93-59 }	Representation by court-appointed counsel and operation of defender organizations	4,543,000	2,900,000	3,043,000	2,972,000
93-16	Commission on Revision of the Federal court appellate system of the United States	270,000	240,000	270,000	255,000
	Total, Courts of Appeals, District courts and other judicial services	5,313,000	3,640,000	3,813,999	3,727,000
	Total, the Judiciary:				
	1973	5,374,000	3,701,000	3,874,000	3,788,000
	1972	26,000	26,000	26,000	26,000
	Total	5,400,000	3,727,000	3,900,000	3,814,000
	RELATED AGENCIES				
	American Battle Monuments Commission				
93-16	Salaries and expenses	18,000	18,000	18,000	118,000
	Commission on Civil Rights				
93-16	Salaries and expenses	352,000	128,000	128,000	128,000
	Commission on International Broadcasting				
93-79	International radio broadcasting activities	1,832,000	1,650,000		1,150,000
	Department of the Treasury, Bureau of Accounts				
93-16	Fishermen's protective fund	3,000,000	3,000,000	3,000,000	3,000,000
	Foreign Claims Settlement Commission				
93-79	Payment of Vietnam and U.S.S. "Pueblo" prisoner of war claims	16,200,000	16,200,000	16,200,000	16,200,000
	Small Business Administration				
93-79	Salaries and expenses (by transfer)	(1,000,000)	(500,000)	(1,000,000)	(1,000,000)
93-79	Disaster loan fund	450,000,000	150,000,000	500,000,000	475,000,000
S. Doc. 93-20	Total, Small Business Administration	450,000,000	150,000,000	500,000,000	475,000,000

H. Doc. No.	Department or activity	Budget estimate	Recommended in House bill	Amount recommended by Senate	Conference agreement
	U.S. Information Agency				
93-79	Salaries and expenses	$2,807,000	$2,600,000		$2,250,000
93-79	Special international exhibitions	122,000	115,000	$115,000	115,000
	Total, U.S. Information Agency	2,929,000	2,715,000	115,000	2,365,000
	Total, related agencies	474,331,000	173,711,000	519,461,000	497,861,000
	Total, Chapter X:				
	New budget (obligational) authority:				
	1973	523,568,000	215,835,000	563,258,000	541,572,000
	1972	26,000	26,000	26,000	26,000
	Total	523,594,000	215,861,000	563,284,000	541,598,000
	By transfer	(1,000,000)	(500,000)	(1,000,000)	(1,000,000)
	CHAPTER XI				
	DEPARTMENT OF TRANSPORTATION				
	Coast Guard				
93-16	Retired pay	4,511,000	4,000,000	4,000,000	4,000,000
	Federal Aviation Administration				
93-16	Operations (by transfer)	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)
93-16	Federal payment to the airport and airway trust fund (intragovernmental transaction)	(24,669,000)	(24,669,000)	(24,669,000)	(24,669,000)
	National Highway Traffic Safety Administration				
----------	Traffic and highway safety (reprograming)			(2,000,000)	(2,000,000)
	Federal Railroad Administration				
93-16	Emergency rail facilities restoration	40,000,000	34,748,000	34,748,000	34,748,000
	Total, Department of Transportation	44,511,000	38,748,000	38,748,000	38,748,000
	RELATED AGENCIES				
	Washington Metropolitan Area Transit Authority				
93-16	Interest subsidy	4,885,000	4,885,000	4,885,000	4,885,000
	Commission on Highway Beautification				
93-16	Salaries and expenses	250,000	250,000	250,000	250,000
	Total, related agencies	5,135,000	5,135,000	5,135,000	5,135,000
	Total, chapter XI:				
	New budget (obligational) authority	49,646,000	43,883,000	43,883,000	43,883,000
	Intragovernmental transaction	(24,669,000)	(24,669,000)	(24,669,000)	(24,669,000)
	By transfer	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)
	Reprograming			(2,000,000)	(2,000,000)
	CHAPTER XII				
	DEPARTMENT OF THE TREASURY				
	Bureau of Accounts				
93-16	Salaries and expenses	1,100,000	1,100,000	1,100,000	1,100,000
	Internal Revenue Service				
93-16	Salaries and expenses	164,000	164,000		
93-16	Accounts, Collection and Taxpayer Service	9,748,000	9,748,000	9,600,000	9,600,000
93-16	Compliance	2,627,000	2,627,000	2,627,000	2,627,000
	Total, Internal Revenue Service	12,539,000	12,539,000	12,227,000	12,227,000
	Total, Treasury Department	13,639,000	13,639,000	13,327,000	13,327,000
	EXECUTIVE OFFICE OF THE PRESIDENT				
	Funds appropriated to the President				
93-16	Disaster Relief	100,000,000	100,000,000	100,000,000	100,000,000
	Economic stabilization activities				
S. Doc. 93-14	Salaries and expenses	4,828,000		4,400,000	4,400,000
	National Commission on Productivity				
93-16	Salaries and expenses	5,000,000			
	Total, Executive Office of the President	109,828,000	100,000,000	104,400,000	104,400,000
	INDEPENDENT AGENCIES				
	Civil Service Commission				
93-16	Payment to Civil Service Retirement and Disability Fund	42,200,000	42,200,000	42,200,000	42,200,000
H. Doc. 93-79	Payment to Civil Service Retirement and Disability Fund	148,700,000	148,700,000	148,700,000	148,700,000
	Total, Civil Service Commission	190,900,000	190,900,000	190,900,000	190,900,000
	General Services Administration				
	Property management and disposal service				
93-16	Operating expenses	1,300,000	1,000,000	900,000	900,000
	Total, independent agencies	192,200,000	191,900,000	191,800,000	191,800,000
	Total, chapter XII, new budget (obligational) authority	315,667,000	305,539,000	309,527,000	309,527,000

[1] Budget estimate not considered by House of Representatives.
[2] The budget estimate requested $110,348,225 to be derived by the use of prior year expired "M" accounts. The House of Representatives and the Senate Committee have provided NOA for the years indicated rather than authorizing the use of expired accounts.
[3] Estimate pending.

TITLE II—INCREASED PAY COSTS

Department or activity	Budget estimates (H. Doc. 93-70 and 93-16)	Recommended in House bill	Amount recommended by Senate	Conference agreement
LEGISLATIVE BRANCH				
SENATE				
Contingent expenses of the Senate:				
Inquiries and investigations (By transfer)	($276,240)		($276,240)	($276,240)
Total, Senate (By transfer)	(276,024)		(276,240)	(276,240)
HOUSE OF REPRESENTATIVES				
Salaries, Officers and Employees				
Office of the Speaker (By transfer)	(1,120)	($1,120)	(1,120)	(1,120)
Special and minority employees:				
Office of the majority floor leader (By transfer)	(3,435)	(3,435)	(3,435)	(3,435)
Office of the minority floor leader (By transfer)	(3,150)	(3,150)	(3,150)	(3,150)
Office of the majority whip (By transfer)	(1,585)	(1,585)	(1,585)	(1,585)
Office of the minority whip (By transfer)	(1,585)	(1,585)	(1,585)	(1,585)
Two printing clerks for the majority and minority caucus rooms (By transfer)	(625)	(625)	(625)	(625)
Technical assistant, Office of the Attending Physician (By transfer)	(565)	(565)	(565)	(565)
Official reporters of debates (By transfer)	(11,525)	(11,525)	(11,525)	(11,525)
Official reporters to committees (By transfer)	(12,925)	(12,925)	(12,925)	(12,925)
Committee on Appropriations (investigations) (By transfer)	(3,750)	(3,750)	(3,750)	(3,750)
Members' Clerk Hire				
Clerk hire	3,500,000	3,000,000	3,000,000	3,000,000
Contingent Expenses of the House				
Government contributions (By transfer)	(135,000)	(135,000)	(135,000)	(135,000)
Total, House of Representatives:				
New budget (obligational) authority	3,500,000	3,000,000	3,000,000	3,000,000
By transfer	(175,265)	(175,265)	(175,265)	(175,265)
JOINT ITEMS				
Contingent expenses of the House				
Joint Committee on Defense Production (By transfer)	(3,000)	(3,000)	(3,000)	(3,000)
Architect of the Capitol				
Office of the Architect of the Capitol				
Salaries	24,000	24,000	24,000	24,000
Capitol buildings and grounds				
Capitol buildings	68,400	68,400	68,400	68,400
Capitol grounds	20,500	20,500	20,500	20,500
Senate office building	186,000		186,000	186,000
Senate garage	3,100		3,100	3,100
House office buildings	329,600	329,600	329,600	329,600
Capitol Power Plant	20,600	20,600	20,600	20,600
Library buildings and grounds				
Structural and mechanical care	28,000	28,000	28,000	28,000
Total, Architect of the Capitol: New budget (obligational) authority	680,200	491,100	680,200	680,200
Botanic Garden				
Salaries and expenses	25,700	25,700	25,700	25,700
Library of Congress				
Salaries and expenses	777,000	663,000	663,000	663,000
(By transfer)		(89,000)	(89,000)	(89,000)
Copyright Office				
Salaries and expenses	115,000			
Congressional Research Service				
Salaries and expenses	195,000			
Distribution of catalog cards				
Salaries and expenses	157,000			
(By transfer and $46,000 from reserve fund)		(61,000)	(6,1000)	(61,000)
Books for the blind and physically handicapped				
Salaries and expenses	27,000			
Collection and distribution of library materials				
Special foreign currency program	5,000			
Revision of Annotated Constitution				
Salaries and expenses	2,000			
Revision of Hinds' and Cannon's Precedents				
Salaries and expenses	3,000			
Total, Library of Congress:				
New budget (obligational) authority	1,281,000	663,000	663,000	663,000
By transfer		(150,000)	(150,000)	(150,000)
Government Printing Office				
Office of Superintendent of Documents				
Salaries and expenses	315,100	315,100	315,100	315,00
General Accounting Office				
Salaries and expenses	1,830,000	1,830,000	1,830,000	1,830,000
Total, Legislative Branch:				
New budget (obligational) authority	7,632,000	6,324,900	6,514,000	6,514,000
By transfer	(454,505)	(328,265)	(604,505)	(604,505)

Department or activity	Budget estimates (H. Doc. 93-70 and 93-16)	Recommended in House bill	Amount recommended by Senate	Conference agreement
THE JUDICIARY				
Supreme Court of the United States				
Care of the building and grounds	$14,000	$14,000	$14,000	$14,000
Courts of Appeals, District Courts, and Other Judicial Services				
Salaries of supporting personnel	1,000,000	1,000,000	1,000,000	1,000,000
(By transfer)	(200,000)	(200,000)	(200,000)	(200,000)
Administrative Office of the United States Courts (By transfer)	(82,000)	(82,000)	(82,000)	(82,000)
Expense of referees (By transfer)	(236,000)	(236,000)	(236,000)	(236,000)
Total, the judiciary:				
New budget (obligational) authority	1,014,000	1,014,000	1,014,000	1,014,000
By transfer	(518,000)	(518,000)	(518,000)	(518,000)
EXECUTIVE OFFICE OF THE PRESIDENT				
Special Representatives for Trade Negotiations				
Salaries and expenses	14,000	14,000	14,000	14,000
FUNDS APPROPRIATED TO THE PRESIDENT				
Foreign Assistance				
International Security Assistance				
Military assistance	512,000	300,000	300,000	300,000
Security supporting assistance (By transfer)	(1,304,860)	(1,304,860)	(1,304,860)	(1,304,860)
Bilateral assistance				
Grants and other programs:				
Worldwide, technical assistance (By transfer)	(2,111,520)	(2,111,520)	(2,111,520)	(2,111,520)
Alliance for Progress, technical assistance (By transfer)	(270,300)	(270,300)	(270,300)	(270,300)
Administrative expenses, Agency for International Development (By transfer)		(1,233,840)	(1,233,840)	(1,233,840)
Administrative and other expenses, State (By transfer)	(78,000)	(78,000)	(78,000)	(78,000)
Programs relating to population growth (By transfer)	(193,980)	(193,980)	(193,980)	(193,980)
Total, Funds appropriated to the President:				
New budget (obligational) authority	512,000	300,000	300,000	300,000
By transfer	(3,958,660)	(5,192,500)	(5,192,500)	(5,192,500)
DEPARTMENT OF AGRICULTURE				
Office of the Secretary		112,000	112,000	112,000
Office of the General Counsel		113,000	113,000	113,000
(By transfer)	(113,000)			
Agricultural Research Service		2,856,000	2,856,000	2,856,000
Animal and Plant Health Inspection Service		3,495,000	3,495,000	3,495,000
(By transfer)	(2,249,000)			
Statistical Reporting Service		41,000	41,000	41,000
Foreign Agricultural Service		166,000	166,000	166,000
(By transfer)	(166,000)			
Economic Research Service		251,000	251,000	251,000
Farmers Home Administration		1,584,000	1,584,000	1,584,000
(By transfer)	(1,084,000)			
Agricultural Marketing Service		438,000	438,000	438,000
Soil Conservation Service				
Conservation operations		3,371,000	3,371,000	3,371,000
(By transfer)	(3,371,356)			
River basin surveys and investigations		252,000	252,000	52,000
(By transfer)	(251,454)			
Watershed planning		167,000	167,000	167,000
(By transfer)	(167,190)			
Forest Service				
Forest protection and utilization		5,144,000	5,144,000	5,144,000
(By transfer)	(5,144,000)			
Construction and land acquisition		213,000	213,000	213,000
(By transfer)	(213,000)			
Total, Department of Agriculture:				
New budget (obligational) authority		18,203,000	18,203,000	18,203,000
By transfer	(12,759,000)			
DEPARTMENT OF COMMERCE				
General Administration				
Salaries and expenses (By transfer)	(164,543)	(164,543)	(164,543)	(164,543)
Social and Economic Statistics Administration				
1972 census of governments (By transfer)	(29,000)	(29,000)	(29,000)	(29,000)
1972 economic censuses (By transfer)	(310,800)	(310,800)	(310,800)	(310,800)
Nineteenth decennial census (By transfer)	(255,200)	(255,200)	(255,200)	(255,200)
Domestic and International Business Administration				
Salaries and expenses (By transfer)	(372,900)	(372,900)	(372,900)	(372,900)
National Industrial Pollution Control Council				
Salaries and expenses (By transfer)	(7,000)	(7,000)	(7,000)	(7,000)
United States Travel Service				
Salaries and expenses (By transfer)				
National Oceanic and Atmospheric Administration				
Research, development and facilities (By transfer)	(1,254,200)	(1,254,200)	(1,254,200)	(1,254,200)
Satellite operations (By transfer)	(273,440)	(273,440)	(273,440)	(273,440)
Fisheries Loan Fund (Increase in limitation)	(8,200)	(8,200)	(8,200)	(8,200)
Fishermen's Guaranty Fund (By transfer)	(100)			

TITLE II—INCREASED PAY COSTS—Continued

Department or activity	Budget estimates (H. Doc. 93-70 and 93-16)	Recommended in House bill	Amount recommended by Senate	Conference agreement
DEPARTMENT OF COMMERCE—Continued				
Office of Telecommunications				
Research, engineering, analysis, and technical services (By transfer)	($92,100)	($92,100)	($92,100)	($92,100)
Total, Department of Commerce:				
By transfer	(2,759,283)	(2,759,183)	(2,759,183)	(2,759,183)
Increase in limitation	(8,200)	(8,200)	(8,200)	(8,200)
DEPARTMENT OF DEFENSE—MILITARY				
Military Personnel				
Military personnel, Army	185,464,000	80,651,000	175,651,000	175,651,000
Military personnel, Navy	140,000,000	123,311,000	123,311,000	123,311,000
(By transfer)		(14,550,000)	(14,550,000)	(14,550,000)
Military personnel, Marine Corps	43,302,000	40,362,000	40,362,000	40,362,000
Military personnel, Air Force	176,800,000	164,070,000	164,070,000	164,070,000
(By transfer)		(7,000,000)	(7,000,000)	(7,000,000)
Reserve personnel, Army	11,224,000	8,119,000	7,924,000	7,924,000
Reserve personnel, Navy	6,277,000	5,935,000	5,935,000	5,935,000
Reserve personnel, Air Force	2,747,000			
National Guard personnel, Army	15,916,000	15,416,000	15,416,000	15,416,000
National Guard personnel Air Force	4,509,000	4,509,000		
Operation and Maintenance				
Operation and maintenance, Army	119,996,000	91,000,000	91,000,000	91,000,000
Operation and maintenance, Navy	103,068,000	93,000,000	103,068,000	95,000,000
Operation and maintenance, Marine Corps	5,513,000	5,000,000	5,000,000	5,000,000
Operation and maintenance, Air Force	95,400,000	75,600,000	75,600,000	75,600,000
Operation and maintenance, Defense agencies	(26,725,000)	(23,700,000)	(23,002,000)	(23,002,000)
Secretary of Defense activities	676,000	620,000		
Joint Chiefs of Staff	151,000	136,000	136,000	136,000
Office of Information of the Armed Forces	56,000	50,000	50,000	50,000
Armed Forces Institute	70,000	67,000	18,000	18,000
Intelligence and communication activities	6,791,000	6,100,000	6,100,000	6,100,000
Defense Nuclear Agency	154,000	140,000		
Defense Supply Agency	14,179,000	12,350,000	12,350,000	12,350,000
Defense Contract Audit Agency	1,352,000	1,300,000	1,300,000	1,300,000
Defense Mapping Agency	3,045,000	2,712,000	3,045,000	3,045,000
Defense Investigative Service	251,000	225,000	3,000	3,000
Operation and maintenance, Army Reserve	3,815,000	3,700,000	3,700,000	3,700,000
Operation and maintenance, Navy Reserve	2,431,000	2,300,000	2,300,000	2,300,000
Operation and maintenance, Marine Corps Reserve	14,000			
Operation and maintenance, Air Force Reserve	3,519,000	3,300,000	3,300,000	3,300,000
Operation and maintenance, Army National Guard	9,487,000	8,500,000	8,500,000	8,500,000
Operation and maintenance, Air National Guard	6,913,000	6,500,000	6,500,000	6,500,000
National Board for the Promotion of Rifle Practice, Army	3,000			
Court of Military Appeals, Defense	17,000			
Research, Development, Test, and Evaluation				
Research, development, test, and evaluation, Army	9,772,000			
Research, development, test, and evaluation, Navy	8,314,000			
Research, development, test, and evaluation, Air Force	8,207,000			
Research, development, test, and evaluation, Defense agencies	1,255,000			
Total, Department of Defense—Military:				
New budget (obligational) authority	990,688,000	854,973,000	854,639,000	846,571,000
By transfer		(21,550,000)	(21,550,000)	(21,550,000)
Department of the Army				
Corps of Engineers—Civil:				
General investigations (By transfer)	(800,000)	(800,000)	(800,000)	(800,000)
General expenses (By transfer)	(700,000)	(700,000)	(700,000)	(700,000)
United States Soldiers' and Airmen's Home				
Operation and maintenance	324,000	324,000	324,000	324,000
The Panama Canal				
Canal Zone Government: Operating expenses	786,000	750,000	750,000	750,000
Total, Department of Defense—Civil:				
New budget (obligational) authority	1,110,000	1,074,000	1,074,000	1,074,000
By transfer	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
Food and Drug Administration				
Food, drug, and product safety (By transfer)	(2,072,000)	(2,072,000)	(2,072,000)	(2,072,000)
Health Services and Mental Health Administration				
Mental health (By transfer)	(795,000)			
Saint Elizabeths Hospital (By transfer)	(934,000)	(934,000)	(934,000)	(934,000)
Health services planning and development (By transfer)	(116,000)			
Preventive health services (By transfer)	(1,940,000)			
National health statistics (By transfer)	(343,000)			
Office of the Administrator (By transfer)	(282,000)	(282,000)	(282,000)	(282,000)
Indian health services (By transfer)	(2,734,000)	(2,734,000)	(2,734,000)	(2,734,000)
Emergency health (By transfer)	(81,000)	(81,000)	(81,000)	(81,000)
National Institutes of Health				
National Cancer Institute (By transfer)	(1,141,000)			
National Heart and Lung Institute (By transfer)	(503,000)			
National Institute of Dental Research (By transfer)	(132,000)			
National Institute of Arthritis, Metabolism, and Digestive Diseases (By transfer)	(412,000)			
National Institute of Neurological Diseases and Stroke (By transfer)	(291,000)			
National Institute of Allergy and Infectious Diseases (By transfer)	(341,000)			
National Institute of General Medical Sciences (By transfer)	(27,000)			
National Institute of Child Health and Human Development (By transfer)	(315,000)			
National Eye Institute (By transfer)	(45,000)			
National Institute of Environmental Health Sciences (By transfer)	(111,000)			
Research resources (By transfer)	(41,000)			
John E. Fogarty International Center for Advanced Study in the Health Sciences (By transfer)	(31,000)			
Health manpower (By transfer)	(448,000)			
National Library of Medicine (By transfer)	(156,000)			
Office of the Director (By transfer)	(256,000)			

Department or activity	Budget estimates (H. Doc. 93-70 and 93-16)	Recommended in House bill	Amount recommended by Senate	Conference agreement
Social and Rehabilitation Service				
Salaries and expenses (By transfer)	($1,067,000)			
Office of Child Development				
Child development (By transfer)	(150,000)		($150,000)	($150,000)
Office of the Secretary				
Office of Consumer Affairs (By transfer)	(25,000)	($25,000)	(25,000)	(25,000)
Departmental management (By transfer)	(674,000)			
Total, Department of Health, Education, and Welfare: By transfer	(15,463,000)	(6,128,000)	(6,278,000)	(6,278,000)
DEPARTMENT OF THE INTERIOR				
Bureau of Indian Affairs				
Education and welfare services (By transfer)	(2,326,000)	(2,326,000)	(2,326,000)	(2,326,000)
Bureau of Outdoor Recreation				
Salaries and expenses (By transfer)	(72,000)	(72,000)	(72,000)	(72,000)
Land and water conservation (Increase in limitation)	(120,000)	(120,000)	(120,000)	(120,000)
Consolidated working fund (By transfer)	(8,000)			
Geological Survey				
Surveys, investigations, and research (Increase in limitation)	(350,000)	(350,000)	(350,000)	(350,000)
Bureau of Mines				
Health and safety (By transfer)	(663,000)	(663,000)	(663,000)	(663,000)
General administrative expenses (By transfer)	(43,000)	(43,000)	(43,000)	(43,000)
Office of Coal Research				
Salaries and expenses (Increase in limitation)	(24,000)	(24,000)	(24,000)	(24,000)
Bureau of Sport Fisheries and Wildlife				
Management and investigations of resources	900,000	900,000	900,000	900,000
National Park Service				
Management and protection	1,442,000	1,442,000	1,442,000	1,442,000
Maintenance and rehabilitation of physical facilities	2,598,000	2,598,000	2,598,000	2,598,000
Bureau of Reclamation				
General investigations (By transfer)	(315,000)	(315,000)	(315,000)	(315,000)
Operation and maintenance (By transfer)	(1,165,000)	(1,165,000)	(1,165,000)	(1,165,000)
General administrative expenses (By transfer)	($375,000)	($375,000)	($375,000)	(375,000)
Total, Department of the Interior:				
New budget (obligational) authority	4,940,000	4,940,000	4,940,000	4,940,000
By transfer	(4,967,000)	(4,959,000)	(4,959,000)	(4,959,000)
Increase in limitation	(494,000)	(494,000)	(494,000)	(494,000)
DEPARTMENT OF JUSTICE				
Legal Activities and General Administration				
Salaries and expenses, general administration (By transfer)	(200,000)	(200,000)	(200,000)	(200,000)
Salaries and expenses, general legal activities (By transfer)	(500,000)	(500,000)	(500,000)	(500,000)
Salaries and expenses, United States attorneys and marshals (By transfer)	(1,360,000)	(1,360,000)	(1,360,000)	(1,360,000)
Federal Bureau of Investigation				
Salaries and expenses (By transfer)	(7,240,000)	(7,240,000)	(7,240,000)	(7,240,000)
Immigration and Naturalization Service				
Salaries and expenses (By transfer)	(2,400,000)	(2,400,000)	(2,400,000)	(2,400,000)
Federal Prison System				
Salaries and expenses, Bureau of Prisons (By transfer)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Federal Prison Industries, Incorporated:				
Federal Prison Industries Fund: Vocational training expenses (Increase in limitation)	(104,000)	(104,000)	(104,000)	(104,000)
Bureau of Narcotics and Dangerous Drugs				
Salaries and expenses (By transfer)	(600,000)	(600,000)	(600,000)	(600,000)
Total, Department of Justice:				
By transfer	(14,300,000)	(14,300,000)	(14,300,000)	(14,300,000)
Increase in limitation	(104,000)	(104,000)	(104,000)	(104,000)
DEPARTMENT OF LABOR				
Manpower Administration				
Manpower Administration, Salaries and expenses (By transfer)	(1,075,000)			
Allocation to Health, Education, and Welfare (By transfer)	(53,000)			
Labor-Management Services Administration				
Salaries and expenses (By transfer)	(475,700)	(475,700)	(475,700)	(475,700)
Employment Standards Administration				
Salaries and expenses (By transfer)	(1,028,500)	(1,028,500)	(1,028,500)	(1,028,500)
Occupational Safety and Health Administration				
Salaries and expenses (By transfer)	(667,800)	(667,800)	(667,800)	(667,800)
Total, Department of Labor: By transfer	(3,300,000)	(2,172,000)	(2,172,000)	(2,172,000)
DEPARTMENT OF STATE				
Administration of Foreign Affairs: Salaries and expenses	2,949,000	2,949,000	2,949,000	2,949,000
(By transfer)	(719,500)	(719,500)	(719,500)	(719,500)
International Organizations and Conferences: Missions to international organizations (By transfer)	(60,400)	(60,400)	(60,400)	(60,400)

TITLE II—INCREASED PAY COSTS—Continued

Department or activity	Budget estimates (H. Doc. 93-70 and 93-16)	Recommended in House bill	Amount recommended by Senate	Conferena agreement
DEPARTMENT OF STATE—Continued				
International Commissions:				
International Boundary and Water Commission, United States and Mexico: Operation and maintenance	$63,000	$63,000	$63,000	$63,000
(By transfer)	(20,000)	(20,000)	(20,000)	(20,000)
American sections, international commissions (By transfer)	(13,000)	(13,000)	(13,000)	(13,000)
International fisheries commissions (By transfer)	(16,000)	(16,000)	(16,000)	(16,000)
Educational Exchange: Mutual educational and cultural exchange activities (Increase in limitation)	(48,000)	(48,000)	(48,000)	(48,000)
Total, Department of State:				
New budget (obligational) authority	3,012,000	3,012,000	3,012,000	3,012,000
By transfer	(828,900)	(828,900)	(828,900)	(828,900)
Increase in limitation	(48,000)	(48,000)	(48,000)	(48,000)
DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration				
Operations (By transfer)	(21,523,000)	(21,523,000)	(21,523,000)	(21,523,000)
Federal Highway Administration				
Salaries and expenses (By transfer)	(98,428)	(98,428)	(98,428)	(98,428)
Federal Railroad Administration				
Office of the Administrator: Salaries and expenses (By transfer)	(56,000)	(56,000)	(56,000)	(56,000)
Bureau of Railroad Safety (By transfer)	(121,000)			
Total, Department of Transportation: By transfer	(21,798,428)	(21,677,428)	(21,677,428)	(21,677,428)
DEPARTMENT OF THE TREASURY				
Office of the Secretary				
Salaries and expenses (By transfer)	(200,000)	(200,000)	(200,000)	(200,000)
Bureau of Alcohol, Tobacco and Firearms				
Salaries and expenses (By transfer)	(700,000)	(700,000)	(700,000)	(700,000)
Bureau of Customs				
Salaries and expenses (By transfer)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
United States Secret Service				
Salaries and expenses	1,825,000	1,825,000	1,750,000	1,750,000
(By transfer)	(300,000)	(300,000)	(300,000)	(300,000)
Total, Department of the Treasury:				
New budget (obligational) authority	1,825,000	1,825,000	1,750,000	1,750,000
By transfer	(3,200,000)	(3,200,000)	(3,200,000)	(3,200,000)
GENERAL SERVICES ADMINISTRATION				
Real Property Activities: Operating expenses, Public Building Service	5,000,000	5,000,000	5,000,000	5,000,00
Personal Property Activities: Operating expenses, Federal Supply Service	400,000	400,000	400,000	400,000
(By transfer)	(230,000)	(230,000)	(230,000)	(230,000)
Records Activities: Operating expenses, National Archives and Records Service (By transfer)	(340,000)	(340,000)	(340,000)	(340,000)
Automated Data and Telecommunications Service: Operating expenses (By transfer)	(14,000)	(14,000)	(14,000)	(14,000)
Property Management and Disposal Activities: Operating expenses, Property Management and Disposal Service (By transfer)	(262,000)	(262,000)	(262,000)	(262,000)
General Activities: Salaries and expenses, Office of Administrator (By transfer)	(30,000)	(30,000)	(30,000)	(30,000)
Total, General Services Administration:				
New budget (obligational) authority	5,400,000	5,400,000	5,400,000	5,400,000
By transfer	(876,000)	(876,000)	(876,000)	(876,000)
VETERANS' ADMINISTRATION				
Medical and prosthetics research (By transfer)	(1,170,000)	(1,170,000)	(1,170,000)	(1,170,000)
OTHER INDEPENDENT AGENCIES				
Action: Operating expenses, domestic programs (By transfer)	(269,260)	(269,260)	(269,260)	(269,260)
American Battle Monuments Commission: Salaries and expenses	323,000	323,000	323,000	323,000
Civil Aeronautics Board: Salaries and expenses	230,000	200,000	200,000	200,000
Civil Service Commission:				
Salaries and expenses (by transfer)	(115,000)	(115,000)	(115,000)	(115,000)
Transfers from trust funds to Salaries and expenses (increase in limitation)	(244,500)	(244,500)	(244,500)	(244,500)
Federal Mediation and Conciliation Service: Salaries and expenses	168,000	168,000	168,000	168,000
Federal Power Commission: Salaries and expenses	477,000	477,000	477,000	477,000
Intergovernmental agencies:				
Advisory Commission on Intergovernmental Relations: Salaries and expenses	12,000	12,000	12,000	12,000
Interstate Commerce Commission: Salaries and expenses	600,000	600,000	600,000	600,000
National Science Foundation:				
Salaries and expenses: Program development and management (increase in limitation)	(560,000)	(560,000)	(560,000)	(560,000)
Securities and Exchange Commission: Salaries and expenses	532,000	532,000	532,000	532,000
United States Information Agency: Salaries and expenses	500,000	500,000	500,000	500,000
Total, other independent agencies:				
New budget (obligational) authority	2,842,000	2,812,000	2,812,000	2,812,000
By transfer	(384,260)	(384,260)	(384,260)	(384,260)
Increase in limitation	(804,500)	(804,500)	(804,500)	(804,500)
DISTRICT OF COLUMBIA				
District of Columbia funds:				
General operating expenses	(958,000)	(958,000)	(958,000)	(958,000)
Public safety	(1,108,000)	(1,108,000)	(1,108,000)	(1,108,000)
Education	(1,043,000)	(1,043,000)	(1,043,000)	(1,043,000)
Recreation	(250,000)	(250,000)	(250,000)	(250,000)
Human resources	(2,248,000)	(2,248,000)	(2,248,000)	(2,248,000)
Highways and traffic	(291,000)	(291,000)	(291,000)	(291,000)
Environmental services	(993,000)	(993,000)	(993,000)	(993,000)
Total, District of Columbia: New budget (obligational) authority, District of Columbia funds	(6,891,000)	(6,891,000)	(6,891,000)	(6,891,000)
Total, title II:				
New budget (obligational) authority	1,018,989,000	899,891,900	899,672,000	891,604,000
By transfer	(88,237,036)	(87,543,536)	(87,969,776)	(87,969,776)
Increase in limitation	(1,458,700)	(1,458,700)	(1,458,700)	(1,458,700)

Mr. McCLELLAN. Mr. President, we had a rather hard and difficult conference. A number of items in the bill were controversial, particularly those that come under the jurisdiction of labor, health, education, and welfare. These provisions were discussed at great length during the days the conferees met.

The House was adamant in its resistance to those amendments and finally we had no reasonable alternative other than to agree to recede from them. Otherwise we would have had a deadlocked conference and no bill reported.

Mr. President, I want to state for the record that the distinguished chairman of the Subcommittee on Labor, and Health, Education, and Welfare, and related agencies of the Committee on Appropriations, the Senator from Washington (Mr. MAGNUSON) undertook to fully defend the action of the Senate and vigorously insisted upon the Senate amendments being agreed to or at least some reasonable compromise being made with respect to them. But, as I have already stated, the House was adamant in refusing to go along or to make any compromise with respect to most of them. As a result, the Senate finally receded and we were able to agree on the conference report that is now before the Senate for ratification.

I move that the report be approved.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be taken out of both sides equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislation clerk proceeded to call the roll.

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

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

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Are we on controlled time?

The PRESIDING OFFICER. We are on controlled time.

Mr. JAVITS. What time does the minority have?

Mr. MANSFIELD. The Senator from North Dakota has the time.

Mr. McCLELLAN. There is ample time as far as I am concerned.

Mr. JAVITS. Will the Senator yield to me for 5 minutes?

Mr. McCLELLAN. Very well. I yield.

Mr. JAVITS. Mr. President, I wish to direct the attention of the chairman of the Committee on Appropriations to page 8 of the report of the managers of the House, which relates to the manpower administration and specifically the Neighborhood Youth Corps—especially the summer job program—to reiterate the legislative intent in this matter as to elements already in agreement, as well as to call to the attention of the Senate the fact that we will be called upon to concur in a House amendment to the Senate amendment regarding the $44.5 million we added and which is reported in disagreement; and, therefore, there is an operative aspect to what I am about to deal with here. We could be required to vote on the matter of the $44.5 million on a rollcall vote.

The Senate will recall that we adopted an amendment in the Senate which added $44.5 million to the refusal of both Committees on Appropriations and both Houses of the Congress to rescind or amend an appropriation of $256,503,000 for this purpose, an amount which already had been appropriated, and which the administration asked both Houses to rescind. They both clearly rejected that request previously, which is very important, as I will develop in a moment.

In addition, we carried here an amendment to add $44.5 million, of which $35 million was for the summer job program, $8 million for recreational support, and $1.5 million for transportation.

Now, Mr. President, had this sum of $44.5 million been made available, together with the $256.5 million already appropriated, we would have re-created roughly the same program as last year. Summer is here and we are at the threshold of the operation of this program. I am not going to bedevil the Senate now with the urgency of the program. We argued that and prevailed. Indeed, people who feel as I do prevailed in the other body, in that they rejected the administration's request to rescind $256.5 million.

The conferees having met come back with the following proposition in effect reiterating the position already taken by each House previously. They say that $1.5 billion in round figures is available for manpower training purposes, that the Department of Labor currently plans to obligate $1.2 billion; and, therefore, that there is more than ample money available to fully support the Neighborhood Youth Corps.

They say at page 8:

> It is the intent of the conferees that at least as many Neighborhood Youth Corps summer job opportunities should be provided from this source as were provided in last summer's program.

To show they mean business they not only stand fast by the $256 million previous refusal to rescind and suggest that other funds even beyond the $256.5 should be used, but they also say that the $44.5 million—not separately as the Senate ordered but within that $256 million already appropriated shall be available for us in this program after the first of July.

Now, even though I want to go along with that proposition, for now, I note that it does result in appropriating $44.5 million less than the Senate did. But beyond that, in respect to the $256.5 million, I have the impression—from talking with the administration—that our refusal to rescind the $256.5 million already appropriated both in the House and in the Senate is not going to be construed by the administration as a mandate by us to spend, but they are going to deal with it as they choose.

It seems to me, at the very least—even if I swallow, as I said, that the $44.5 million additional will not be provided—we ought to have that assurance that clearly both the Senate and the House have already so manifested their purpose by each refusing previously to rescind the $256.5 million, as requested by the administration and that the report language is basically a reiteration of that previously expressed purpose, with the additional purpose that even funds beyond the $256.5 million should be made available if necessary, to maintain the program at last year's level of opportunities, and that $44.5 million of the $256.5 million can be carried over.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. I yield the Senator 5 additional minutes.

Mr. JAVITS. Let us remember that the administration itself should concede that our refusing to rescind commits the administration to accept that, but I find no such acceptance on the part of the administration.

So I appeal to the chairman of the Appropriations Committee as to what one should do to see that the intent of the Congress, previously expressed, and reiterated by the conferees is not nullified—because the conferees said their intent is that they expect this program to go this summer as it went on last summer.

Mr. McCLELLAN. Senator, would you please repeat the question.

Mr. JAVITS. Just to phrase the question again, I appeal to the chairman of the Appropriations Committee, speaking for the Senate conferees, to tell us what we ought to do when it is already obvious—and I say so because it is clear to me—and I have made all kinds of inquiries, that the administration simply is not going to do what each House and again the conferees say it must do, and that is use these resources totaling $256.5 million, which we refused to rescind or alter, for the purpose of mounting a program from manpower services funds similar to last year's.

Mr. McCLELLAN. As the Senator knows, I cannot give him assurances as to what the administration will do—whether it will spend the money or not. The House position was that they had over $300 million, that would be unobligated at the end of this fiscal year. Therefore, they did not want to appropriate new money, but were perfectly willing for this amount of money to be used for the purpose the Senator desires out of money already appropriated and unobligated. That was the position of the House.

The Senator was not here when I said a few minutes ago, the Senator from Washington (Mr. MAGNUSON), who is chairman of the subcommittee under whose jurisdiction this item would come, and some of the rest of us were interested in this matter. I contributed what I could to the Senate's position in trying to defend the Senate's position, but along with these items, and some others, we took 4 days. We had 5 days of conference, and at least 4 days were taken up on these labor, education, and welfare amendments. It was a real battle. We did the very best we could.

It appears to me that the money is just as much available with this provision as it would have been to make a new appropriation. If they will not spend the money already appropriated, I do not see how a new appropriation would necessarily persuade them to spend the money for that purpose.

Maybe it will. But the House was reluctant, even, to agree to this. They did not agree to a number of other items. Absolutely, this one got some special consideration and a special concession by the House. The Senator from Washington (Mr. MAGNUSON) argued, for other items in the bill. He made the same argument to extend the time to make unexpended balances in appropriations, available. The House would not go along with his proposal.

I know the Senator is somewhat disappointed, but I do not know what else I can say. I think we have every opportunity to have the money expended and the programs carried out.

Mr. JAVITS. I think the Senator from Arkansas and I have been discussing the question at cross purposes.

Mr. McCLELLAN. I have been discussing it from the standpoint of what we can persuade the administration to do.

Mr. JAVITS. I do not think so. I am talking about the law. We make the law. That is what I am trying to nail down; not what may have happened in the conference. I know the operation. I was on the subcommittee. I have been in these cases myself. So I know exactly what happens. I am trying to get at the results of each action of the Congress—in appropriating the funds originally in denying the request for rescession, and in this statement of the conferees. That is what I am trying to get at. I am not complaining about it. The committee has done well. What I am trying to nail down is the following: I beg the Senator to follow me closely.

The fact is that both Houses previously appropriated $256.5 million and each House previously agreed not to rescind or amend that amount. Both Houses have agreed to that and it was not in dispute in the conference. I am trying to nail down that we have a right to refuse to rescind what the administration asked to have rescinded and that once that refusal is expressed by each House, that is equivalent to mandating at least $256.5 million that we have now.

Mr. McCLELLAN. That is a question of law, as the Senator has stated. The Senator is an able lawyer himself and knows that there are different interpretations by people of the same stature and the same competence in law.

But I think I can tell the Senator this: Irrespective of how binding it is as a matter of law, and whatever interpretation might be given, it was certainly the intent of the conference—this is especially true of the Senate conferees, and the House acquiesced in it—that this money should be continued to be made available so that these programs could be funded. Whether it is compelling on the administration, whether as a matter of law this is a mandate to the administration to spend the money, is the Senator's interpretation. In that respect, his interpretation is just as dependable, possibly more reliable, than my own. The House would not agree to making a new appropriation of the funds that lie unexpended from last year.

Mr. JAVITS. When the Senator says that, he confuses the issue. The fact is that the House and the Senate did each agree to $256.5 million, which we appropriated and refused to rescind. There is no question about that. We can go with those funds and the administrator may be required to do so until June 30—subject only to the fact that $44.5 million of those funds may carry over beyond June 30—according to the intent of the conferees of the House and Senate. Is that not correct?

Mr. McCLELLAN. That the program was to be continued, the funds made available solely for this purpose, and obligated.

Mr. JAVITS. All right.

Mr. McCLELLAN. It should remain available for the same purpose. We specify here in this new appropriation that it will fund these programs from now until September 30.

Mr. JAVITS. Fine. I understand that. These are exactly the points I wish to nail down.

Mr. McCLELLAN. There is no question about that.

Mr. JAVITS. I thank the Senator. That is fine in clarifying legislative intent, and how the courts may construe the law and how we may take after the administration because it is not doing what it should do and what the Congress has directed it to do is another matter.

The point that I simply wanted to nail down is that the previous actions with respect to the $256.5 million—which clearly express congressional intent in their own right—have been more than reaffirmed by the conferees in saying: It is the intent of the conferees that at least as many neighborhood youth summer opportunities should be provided from this as were provided last summer.

Mr. McCLELLAN. That is what the conferees agreed to.

The only hitch between the House and Senate position is that the House Members kept saying that they already have the money and that they did not want to make a new appropriation of money. We are extending it from this fiscal year until the next fiscal year.

Mr. JAVITS. That is what I am trying to maintain. This was there for a reiteration of the previous position of both houses—as to which there was no disagreement—that notwithstanding the position of the administration, they still refuse to rescind or otherwise alter that appropriation for the Neighborhood Youth Corps.

The only thing the conferees did not wish to do was to go ahead with the new appropriation of $44.5 million made by the Senate.

Mr. McCLELLAN. It was agreed to and so expressed in its report.

Mr. JAVITS. I thank the Senator.

Mr. McCLELLAN. That was the only real issue—the question of the new appropriation—when the money was already available to fund the program.

Mr. JAVITS. I thank the Senator.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter to the President from myself and 29 other Senators.

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

DEAR MR. PRESIDENT: We urge that the Administration begin immediately, in accordance with Congressional intent, to release and obligate in time for use this summer at least the $256,503,000 previously appropriated by the Congress for the Neighborhood Youth Corps summer job program to provide 607,827 work experience opportunities for poor youth fourteen to twenty-one years of age.

This aggregate amount was originally requested by the Administration for fiscal year 1973 and appropriated by the Congress in the Supplemental Appropriations Act (P.L. 92-607), which you signed on October 31, 1972, and the Continuing Appropriations Act (P.L. 93-9), which became law on March 9, 1973.

As you know, in conjunction with its fiscal year 1974 budget submission, the Administration requested rescission and amendment of its fiscal 1973 budget, requesting permission not to expend any funds for the Neighborhood Youth Corps summer job program for this summer. Instead, it proposed that States and cities use for summer jobs for youth as much as $333.0 million (including $112,260,000 in discretionary and reallocated funds specifically made available for that purpose) of the $1.25 billion originally appropriated for fiscal year 1973 for the specific purpose of the public employment program under the Emergency Employment Act of 1971.

Both Houses of the Congress have now denied rescission in connection with their consideration of H.R. 7447, the Second Supplemental Appropriations bill, rejecting the idea of using Emergency Employment Act funds and directing that at least the $256.5 million already appropriated for the Neighborhood Youth Corps be released and obligated before the close of this fiscal year. The Statement of the Committee on Conference on H.R. 7447 reaffirms these actions stating the intent of the Conferees that generally appropriated (but unobligated) funds for manpower services (even beyond the $256.5 million if necessary) should be made available to maintain the Neighborhood Youth Corps program.

As the public schools are recessing right now throughout the Nation for the summer, poor youth will face unemployment levels ranging from 30 to 40 percent in poverty neighborhoods and States and cities will not be able to meet their needs for youth jobs without cutting back substantially on employment opportunities for returning veterns and those on welfare who would otherwise be provided for under the public employment program; in fact the Department of Labor Statistics document clearly that if $333.0 million in Emergency Employment Act funds are diverted to summer jobs for youth, at least 53,000 opportunities will have to be cut from the public employment program. The Department of Labor estimates that already as much as $150 million in Emergency Employment Act funds have been diverted for the summer job program.

We submit that this situation creates an impossible choice for States and cities which can be ameliorated by making available at least the funds heretofore appropriated by the Congress for the specific purpose of the Neighborhood Youth Corps summer program.

We note that the National League of Cities-U.S. Conference of Mayors documented earlier this year that it can effectively use a total of 1,018,991 opportunities in the Neighborhood Youth Corps summer job program for this summer (compared with a target group of 1.7 million).

Accordingly, the 607,827 opportunities that could be made available with the $256.5 million will not be adequate to meet minimum needs. Even if States and cities have already made available, as the Department estimates, $150.0 million in Emergency Employment Act funds, these funds together with the $256.5 million, could fund an aggregate of only 963,277 slots—still 55,714 slots below the 1,018,991 opportunities documented by the National League of Cities-U.S. Conference of Mayors.

Accordingly, we urge you to act immediately in accordance with the clear Congressional intent while there is still a chance to provide a program with respect to the $256,503,000 already appropriated so that poor youth will have constructive alternatives to a summer of restlessness and possibly worse.

Very truly yours,

Jacob K. Javits, Jennings Randolph, Thomas F. Eagleton, James Abourezk, Joseph R. Biden, Jr., Edward W. Brooke, Claiborne Pell, J. Glenn Beall, Jr., Lowell P. Weicker, Jr., Philip A. Hart, Frank Church, Gale McGee, William D. Hathaway, Hubert H. Humphrey, Gaylord Nelson.

Harold E. Hughes, John V. Tunney, Edward M. Kennedy, Quentin N. Burdick, Howard W. Cannon, Dick Clark, George McGovern, Alan Cranston, Birch Bayh, Harrison A. Williams, Jr., Walter F. Mondale, Charles McC. Mathias, Jr., Robert T. Stafford, Mark O. Hatfield, Robert Taft, Jr.

Mr. FULBRIGHT. Mr. President, it is my understanding that if this part of the conference report carries, it will require an amendment.

Mr. McCLELLAN. That was done yesterday by the House of Representatives. It had to be taken back as an amendment to the House, and that was House action.

Mr. FULBRIGHT. I understand. I just wanted to congratulate my colleague for his management of that matter. I think that was a very satisfactory result. I think he has done a great service to the country as chairman of the committee and of the conference on that subject.

May I ask the Senator what happened to the disaster loan on which the Senator placed so much stress?

Mr. McCLELLAN. We increased the amount here on the Senate floor by $50 million, and the House conferees said there would necessarily be need for another appropriation in the regular bill. At that time they would have a better idea of what additional amounts would be needed. I agreed readily to reduce that amount to $25 million. We added $25 million.

Mr. FULBRIGHT. That would be adequate, certainly, for the rest of this year.

Mr. McCLELLAN. For the present, yes. No doubt the amount covered by this supplemental bill and what was in the regular bill will not be adequate to meet the requirement, but it is enough to continue the program and take care of any funding that will be necessary, I think, until the regular bill is enacted.

Mr. FULBRIGHT. I again wish to congratulate the Senator and the committee on taking care of that matter adequately.

There is one other question I wanted to ask the Senator: On this item of the Commission on International Radio Broadcasting. The report says:

This appropriation shall be available only upon enactment into law of authorizing legislation.

I wonder if the Senator could say, since there is no authorizing legislation, whether he would consider the enactment of that provision a commitment by the Senate to approve authorizing legislation. I wonder how the Senator would look at that, because I think this Commission that has been proposed is a new setup on this whole matter involving Radio Liberty and Radio Free Europe.

Mr. McCLELLAN. There was, the Senator will observe, a substantial reduction in the amount appropriated, and then the provision states that it will only be available for expenditure if there is authorizing legislation up to that amount.

It is anticipated, I assume, that there will be—I do not personally know that there will be—some authorizing legislation. If there is not, the money cannot be spent.

Mr. FULBRIGHT. I would only say for the record that this is a very controversial program.

Mr. McCLELLAN. Well, in the meantime, the Senate can work its will. If it does not want it spent, it can so indicate.

Mr. FULBRIGHT. I was hoping this did not indicate, in the view of the managers of the bill, a commitment on the part of the Senate to authorize it, because it is highly questionable whether it ought to be authorized or not.

Mr. McCLELLAN. No, I do not think these limitations commit the Senate either by implication or otherwise. It simply says that to meet an emergency situation, if the authorizing legislation is enacted, this much money will be available for funding, and if it is not enacted, that ends it. It leaves it completely open.

The PRESIDING OFFICER. All time of the Senator from Arkansas has expired.

Mr. McCLELLAN. I ask for 1 more minute.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all time on this side be allocated to the Senator from Arkansas.

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

Mr. FULBRIGHT. Mr. President, I did not want to delay the matter. I particularly wanted a colloquy with the chairman of the committee to that effect, that this does not constitute any obligation.

Mr. McCLELLAN. No; I do not consider it any obligation on my part at all, or anyone else's.

Mr. FULBRIGHT. Of course, I intend to support the conference report; I just want to make it clear that, in doing so, I do not wish to commit myself to the continuation of this activity.

As I understand, this portion of the bill is only to take care of additional expenditures arising from the devaluation of the dollar; is that not correct?

Mr. McCLELLAN. That is correct.

Mr. FULBRIGHT. So it is not for any new activity.

Mr. McCLELLAN. That is correct. I do not regard language like that as being a commitment, either express or implied, binding either the Senate or any individual Senator. I do not feel that I am bound by it.

Mr. FULBRIGHT. I do not, either, but there may be those who will say, "We have already authorized this new commission; we have already appropriated, therefore we have to go on with it."

I thank the Senator.

Mr. McCLELLAN. We have 10 minutes remaining. Does the majority leader wish to call a quorum?

Mr. MANSFIELD. Mr. President, may I say I am delighted that the distinguished Senator from Arizona (Mr. GOLDWATER) is in the Chamber, because of the statement I am about to make.

I have been informed by the White House that on the passage of the urgent supplemental appropriation bill, there will be no intention of delaying a veto or a signing into next week, when the Senate will be in recess. Therefore, I feel very safe in assuring the Senate that if this conference report on the urgent supplemental is passed today, the President this week will either sign it or veto it, whatever his intentions happen to be, and that there will be no carryover into next week, because if that happened to be the case, then the veto would occur beyond the appropriate date, and then, of course, we would be in a position where we would sort of be handcuffed. This statement is made for the RECORD.

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

The PRESIDING OFFICER (Mr. SCOTT of Virginia). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. I yield at this time to the distinguished chairman of the committee, the Senator from Arkansas (Mr. McCLELLAN).

Mr. McCLELLAN. Mr. President, in a way I can confirm the statement already made by the distinguished majority leader with respect to a proposed veto or action, rather, upon this bill. I was assured this morning by a representative from the White House that the President was anxious to have the bill enacted, and to have the conference report brought up and disposed. We had already agreed to that yesterday, that it would be brought up this week, and he gave me the assurance that he could assure me that the President would act, and that there would be no pocket veto, that he would either veto the bill or approve it. I had the same information. The Senator said he would like to have me make the statement.

Mr. MANSFIELD. Mr. President, may I say I am glad to have this corroboration appear in the RECORD. The source for my information was the same source as that of the Senator from Arkansas. It was not from the President of the United States or from anyone in the White House, but a representative of the White House who can speak with a degree of authority.

Mr. MAGNUSON. Mr. President, I would like to take just a small amount of the Senate's time to discuss the Labor-HEW portion of the conference report on the second supplemental.

As we all know, the conference committee held some very long and arduous sessions—five, to be exact—before agreement was reached. We were successful in many respects. The Senate amendment to provide $100 million to launch a nutrition program for the elderly was agreed to. This will allow for low-cost, nutritional meals to 250,000 of our elderly. We were successful in breaking loose $30 million for State vocational rehabilitation programs. Despite the Presidential vetoes of enabling legislation, the program will now be able to operate at a reasonable level.

The conferees agreed to provide $244 million to support several higher education programs—including $30 million for student loans, $67 million for programs for the disadvantaged and $87.5 million for aid to developing minority institutions.

I will not say that we won on every front, though. There were some items involving impoundments and one-sided decisions to shut down programs. We, in the Senate, voted to reappropriate—or more to the point—to reassert our opposition to these decisions. The House did not go along with our mechanism for doing this—although they most certainly agreed in principle. The House was very adamant in arguing that the funds are already downtown and that any additional moneys would just sit there, too.

This is the argument used by the House, despite the fact that they had set the precedent in other appropriation bills.

The Senate conferees were just as adament, but there come a time—in this case, 5 working days before the fiscal year ends—when it is necessary to think of those other important programs in the bill.

At any rate, I believe this is a good bill, under the circumstances. There is not much time remaining and these funds are needed—and in some areas, desperately.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the conference report on H.R. 7447.

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 Alaska (Mr. GRAVEL), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Florida (Mr. CHILES) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Iowa (Mr. CLARK) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that if present and voting, the Senator from Alaska (Mr. GRAVEL), and the Senator from Iowa (Mr. CLARK) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from Utah (Mr. BENNETT) is necessarily absent.

The result was announced—yeas 81, nays 11, as follows:

[No. 227 Leg.]

YEAS—81

Abourezk	Fulbright	Moss
Aiken	Gurney	Muskie
Allen	Hart	Nelson
Baker	Hartke	Nunn
Bartlett	Haskell	Packwood
Bayh	Hatfield	Pastore
Beall	Hathaway	Pearson
Bellmon	Hollings	Pell
Bentsen	Hruska	Percy
Bible	Huddleston	Proxmire
Brock	Hughes	Randolph
Brooke	Humphrey	Ribicoff
Burdick	Inouye	Roth
Byrd, Harry F., Jr.	Jackson	Saxbe
	Javits	Schweiker
Byrd, Robert C.	Johnston	Scott, Va.
Cannon	Kennedy	Sparkman
Case	Long	Stafford
Church	Magnuson	Stevens
Cook	Mansfield	Stevenson
Cotton	McClellan	Symington
Cranston	McClure	Taft
Domenici	McGee	Talmadge
Dominick	McGovern	Tunney
Eagleton	McIntyre	Weicker
Eastland	Metcalf	Young
Ervin	Mondale	
Fong	Montoya	

NAYS—11

Buckley	Goldwater	Scott, Pa.
Curtis	Griffin	Thurmond
Dole	Hansen	Tower
Fannin	Helms	

NOT VOTING—8

Bennett	Clark	Stennis
Biden	Gravel	Williams
Chiles	Mathias	

So the conference report was agreed to.

The PRESIDING OFFICER. The clerk will report the House amendments to the Senate amendments.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 11 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum of $920,000,000 named in said amendment, insert: "$825,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 18 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: "$39,563,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 19 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: "$3,179,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 25 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"Manpower Administration

"Manpower Training Services

"Of the amounts heretofore appropriated under this heading for fiscal year 1973, $44,500,000 shall remain available until September 30, 1973, to carry out the provisions of section 102 of the Manpower Development and Training Act of 1962, as amended: *Provided*, That these funds shall not be available for the purposes of sections 106 (d) and 309(b) of said Act."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"For an additional amount for 'Health manpower' to remain available until expended to carry out the Family Practice of Medicine Act of 1970 (S. 3418, Ninety-first Congress), $100,000."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"Education for the Handicapped

"For an additional amount for carrying out, to the extent not otherwise provided, the Education of the Handicapped Act, $13,800,000 which, together with $12,500,000 heretofore appropriated for this purpose, shall remain available until September 30, 1973."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 42 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the $15,360,000 named in said amendment, insert: "$13,860,000."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 43 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by the first proviso of said amendment, insert:

"*Provided*, That such funds made available for grants under section 2 shall not exceed $590,000,000 and that allotments to States under such section shall not, in the aggregate, exceed $600,000,000."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46 to the aforesaid bill and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"ACTION

"Operating Expenses, Domestic Programs

"Funds in the amount of $8,000,000 contained under this heading in the Supplemental Appropriation Act, 1973 (Public Law 92-607), to carry out the provisions of Title VI of the Older Americans Act of 1965, as

amended, shall remain available until expended."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$250,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 84 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"Sec. 306. No part of any appropriation contained in this or any other Act, or of funds available for expenditure by any corporation or agency shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

"Sec. 307. Appropriations and authority provided in this Act shall be available from June 5, 1973, and all obligations incurred in anticipation of the appropriations and authority provided in this act are hereby ratified and confirmed if otherwise in accordance with the provisions of this Act."

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 11, 18, 19, 25, 34, 38, 42, 43, 46, 51, and 84.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

DEFENSE ARTICLES FURNISHED TO FOREIGN COUNTRIES

The Senate continued with the consideration of the bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organizations.

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

The PRESIDING OFFICER (Mr. SCOTT of Virginia). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time that when the Scott amendment is laid before the Senate and made the pending business, which I understand will be the case shortly, there be a 1-hour limitation on the amendment, the time to be equally divided between the sponsor of the amendment, the distinguished Republican leader (Mr. SCOTT of Pennsylvania) and the manager of the bill, the distinguished chairman of the Committee on Foreign Relations (Mr. FULBRIGHT).

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, and I shall not, the distinguished minority leader is in the cloakroom, but it is my understanding that he is agreeable to such a time limitation. Just in case there might be an amendment to the amendment we might want a 30-minute limitation on such amendments.

Mr. MANSFIELD. Yes. First, let me say this request is made at the suggestion of the distinguished Republican leader, the Senator from Pennsylvania (Mr. SCOTT).

Mr. President, I amend the unanimous consent request to include 20 minutes on amendments to the amendment, the time to be equally divided on the same basis as before, and with the regular procedure.

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

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. Yes, indeed.

Mr. FULBRIGHT. Has the Senator explored the possibility of a time limitation on other amendments?

Mr. MANSFIELD. Yes. The explorations are underway. It looks encouraging at the moment. We will know shortly.

Mr. FULBRIGHT. Members keep asking me the scheduling of votes. I would like to be able to tell them the possibility for votes this afternoon.

Mr. GRIFFIN. If it is of any interest, there is progress being made. I think it looks better.

Mr. FULBRIGHT. I am very happy to hear that.

Mr. MANSFIELD. In addition, as the distinguished acting Republican leader will agree, there is a distinct possibility we could finish the pending business today.

Mr. FULBRIGHT. That is great.

Mr. MANSFIELD. 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. 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.

Mr. MANSFIELD. Mr. President, pending a final unanimous-consent request covering all amendments, at this time I ask that I be allowed to ask unanimous consent that when the Roth-Mondale amendment is called up there be a time limitation of 30 minutes, the time to be equally divided, in the regular form.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE WAR POWERS BILL ORDER OF BUSINESS

Mr. GOLDWATER. Mr. President, I thought that the leader might be asking a further unanimous consent on which we have tentatively agreed. I will not enter any opposition to the unanimous-consent request made. I would like to ask the majority leader if he does not think it would be the better part of wisdom, in view of the bills that we have to get passed by this weekend, if we did not bring up the war powers bill until after the recess. After all, it does not make any difference when it is passed; it is the intent of the bill that is important. I assure the Senator that if it is brought up this weekend, it is not going to be done. That is not a threat; it is just that I have an intense interest in it, and I do not want to see it passed earlier.

Mr. MANSFIELD. I appreciate that. A somewhat similar situation existed last week when I contemplated calling up that bill. However, I was informed of the Senator's feelings, and besides, I think he was going to be away on a very important official engagement, so, naturally I withheld bringing it up. We will be glad to do the same thing this time.

I would hope, however, that it would be possible—I have discussed this matter with the Senator from Texas (Mr. TOWER), who indicated an interest in a postponement—to arrive at a time limitation allowing plenty of time for debate on the bill and amendments thereto, just for the purpose of giving some assurance to the membership as to what the situation will be with respect to a particular time for action in regard to this particular piece of legislation.

Mr. GOLDWATER. The Senate will come back after the recess on the 9th, I believe.

Mr. MANSFIELD. We will come back on the 9th if we adjourn Saturday.

Mr. GOLDWATER. If we do not adjourn Saturday, when will we come back?

Mr. MANSFIELD. We will probably be here Monday and Tuesday and come back the 10th, but I am hopeful we will go out on Saturday and come back the 9th.

Mr. GOLDWATER. I would say to the leader that certainly by the 13th of July I would be fully ready to take this matter up and be willing to discuss any kind of limitations. I realize the opposition is going to be rather scanty, but it has to be fully developed because this is the first time in the history of this body that we have ever gotten into this area. While we might lose our cause, I think it is wise that we build a legislative history that the courts can refer to, or even the President, should he decide to veto the bill. So I shall not ask for any unreasonable amount of time, but just enough to present my case, and there are other Senators who want to be heard on this question.

Mr. MANSFIELD. The Senator is perfectly right. It is within his rights, and I think it is within his responsibility, and I think it would be good to have a debate on the constitutionality of the question. I think the Senator makes a good point, and certainly we ought to set out, as far as we can, what the different viewpoints are, as well as the overall viewpoint of the Senate.

Mr. THURMOND. Mr. President, I am interested in that bill. I would like to be notified. I do not expect to have a long address, but I would like to have a reasonable time.

Mr. MANSFIELD. Mr. President, may I say in response to the query raised by before. I hope the distinguished Senate is on notice that at any time after July 13, the bill will be taken up, not before. I hope the distinguished Senators can get together and work out a reasonable time agreement.

Mr. TOWER. Mr. President, if the Senator will yield, I would like to associate myself with the remarks of the distinguished Senator from Arizona. I think it is a question of tremendous import and great constitutional significance and should be fully debated. I know there are enough cosponsors of the bill to have it passed. Nevertheless, I feel very strongly on this. It is a departure from what we have done. So I would hope we could give it a complete airing. It is not going to be a filibuster.

Mr. MANSFIELD. I understand. We have to keep in mind several factors, recognizing that what we have reference to involves a grave question and is entitled to the fullest consideration. But the difficulty, as far as the leaders are concerned, is that we are faced with another recess over a month in time, with appropriation bills piling up, and other matters of significance, in addition to the War Powers Act. We would hope that we would be given some consideration, not because of us personally, but because of the schedule which confronts the Senate as a whole.

So, with no further ado, we look forward to this group and other Senators getting together, allowing themselves enough time, but arriving at a reasonable time limitation within a reasonable time.

Mr. GOLDWATER. We will do our best.

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

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

DEFENSE ARTICLES FURNISHED TO FOREIGN COUNTRIES

The Senate continued with the consideration of the bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organizations.

Mr. ROTH. Mr. President, I call up amendment No. 264, as modified.

The PRESIDING OFFICER (Mr. SCOTT of Virginia). The clerk will state the amendment.

The assistant legislative clerk proceeded to state the amendment.

Mr. ROTH. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

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

The amendment, as modified, is as follows:

On page 3, before line 1, in the table of contents, immediately below the item 3110, add the following new item:

"Sec. 3111. Limitations on providing certain defense articles and services.".

On page 41, between lines 3 and 4, insert the following new section:

"LIMITATIONS ON PROVIDING CERTAIN DEFENSE ARTICLES AND SERVICES

"SEC. 3111. (a) None of the funds authorized to be appropriated under this Act shall be used to furnish, by grant, credit sale, or guaranty, sophisticated weapons systems, such as missile systems and advanced jet aircraft for military purposes, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.

"(b) Decisions to furnish defense articles and services made under this Act shall take into account whether such assistance will—

"(1) contribute to an arms race;

"(2) increase the possibility of outbreak or escalation of conflicts; or

"(3) prejudice the development of bilateral or multilateral arms control arrangements."

Mr. ROTH. Mr. President, there is one slight modification in the form of the amendment. I would call the attention of the Senate to the fact that the amendment on page 1, line 8, is modified, so that between the word "and" and the word "jet" the word "advanced" is inserted. This makes it read ". . . sophisticated weapons systems, such as missile systems and advanced jet aircraft for military purposes."

Mr. President, I want to present the case for the amendment which I and the distinguished senior Senator from Minnesota are offering in the simplest and shortest possible manner.

Our amendment does not add any new provision to our present statutes governing military sales and assistance. It merely seeks to incorporate into the new Foreign Military Sales and Assistance Act, S. 1443, worthy provisions of previous statutes which had been carefully enacted by the past Congresses to provide certain restraints on these programs and to insure that every transfer is considered in the larger perspective of their potential effects on the total international environment. In our effort to enact a new comprehensive statute governing military aid programs and repeal various older statutes, I think it behooves us to look carefully at these older statutes and retain those parts which will contribute to a strong, sound new law.

Probably the most important provision of our amendment insures that when decisions are made to transfer weapons or provide other kinds of military assistance, proper consideration will be given to whether this proposed aid might contribute to an arms race, increase the possibility of an outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements. This provision may superficially appear to be window dressing; in practice, it had served as an important vehicle for our governmental departments and agencies concerned with international diplomacy and arms control to add their perspective and advice to decisions that might vitally affect their programs and overall U.S. foreign policy objectives.

Another part of our amendment requires before any sophisticated weapon, such as advanced jet aircraft or missile system, is transferred to an underdeveloped country, the President must determine that the transfer is important to the national security. He must also notify Congress of this determination. This provision insures that such decisions will be reviewed at the highest levels and that Congress is properly informed of such transfers.

These provisions are similar to those of section 504(a) and 511 of the Foreign Assistance Act of 1961 and sections 4 and 42(a) of the Foreign Military Sales Act. I hope my colleagues will join Senator MONDALE and myself in seeking to retain these important safeguards during the period that S. 1443 is in effect.

Mr. FULBRIGHT. Mr. President, I think this is a good amendment. The provisions in the bill have been in the law. And I am prepared to support it myself and certainly to vote for it and take it to conference.

I would like to suggest that one of the best ways to achieve the purpose set out here is to vote for the bill, particularly that part that phases out over 4 years the military program and also reduces the amount for the purposes which are included in the Senator's amendment.

The basic way to reach most of these objectives is to control the amount of money available for these purposes. I fully agree with and support the purpose.

I do not know that there is any opposition to the provision. I would be perfectly willing to yield back the remainder of my time if the Senator wishes to do so. I am sure that the amendment can be agreed to.

Mr. ROTH. Mr. President I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendemnt of the Senator from Delaware (putting the question).

The amendment, as modified, is agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have been authorized by the distinguished majority leader, after having consulted with the distinguished Republican leader and the distinguished assistant Republican leader and Senators FULBRIGHT, GOLDWATER, BEALL, ALLEN, TOWER, MCGEE, and others, to propose the following unanimous-consent request: that debate on the pending measure, S. 1443, be limited to 2 hours to be equally divided between and controlled

by the distinguished manager of the bill, the Senator from Arkansas (Mr. FULBRIGHT), and the distinguished ranking minority member of the committee, the Senator from Vermont (Mr. AIKEN); that time on any amendment, debatable motion, or appeal be limited to 30 minutes with the exception of two amendments by the distinguished Senator from Texas (Mr. TOWER), on each of which there will be a 1-hour limitation, with the further exception of an amendment by the distinguished Senator from Alabama (Mr. ALLEN), on which there will be a limitation of 1 hour, and with the further exception, which I understand has already been entered as an order, of an amendment by Senator SCOTT of Pennsylvania, on which there will be and already is a 1-hour limitation; provided further that the agreement be in the usual form.

Mr. ALLEN. Mr. President, reserving the right to object, and I shall not object, the amendment which I plan to offer is in two parts. It may be that a division will be requested. Would the Senator make provision for the second part of the amendment in the event a division is requested?

Mr. ROBERT C. BYRD. Mr. President, I am very glad to do so, and this will be done under the unanimous-consent request. The Senator could yield time from the bill under an amendment. However, to make sure that the Senator from Alabama is protected if the need arises, I further ask unanimous consent that there be a time limitation on the second section or part of 30 minutes, to be divided equally.

Mr. ALLEN. Mr. President, I thank the Senator.

The PRESIDING OFFICER. For the purpose of clarification, the Chair's understanding is that there is 20 minutes on any amendment to the amendment of the Senator from Pennsylvania (Mr. SCOTT).

Mr. ROBERT C. BYRD. The Senator is correct. That is under the previous order.

The PRESIDING OFFICER. And that would stand as an order.

Mr. ROBERT C. BYRD. That would stand.

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

Mr. ROBERT C. BYRD. Mr. President, I take it for granted that the amendments which have been specified are germane. In the event that any one of them is not, I ask unanimous consent that such amendment be in order by virtue of having been specified.

The PRESIDING OFFICER. It will be in order in view of the time limitation.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair and I thank all Senators.

Mr. TOWER. Mr. President, I call up amendment No. 269 and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

Beginning on page 20, strike out line 15 and all that follows through and including line 5 on page 21 and insert in lieu thereof:

"SEC. 2103. There are authorized to be appropriated to the President to carry out this chapter not to exceed $652,000,000 for the fiscal year 1974".

On page 27, strike out line 15 and all that follows through and including line 17.

Mr. TOWER. Mr. President, the effect of this amendment would be to strike out section 2103 on page 20 and substitute therefor the following language.

There are authorized to be appropriated to the President to carry out this chapter not to exceed $652 million for the fiscal year 1974.

Mr. President, this amendment would restore the requested administration's figure to the bill.

I recognize that S. 1443 holds out the tempting prospect of cutting back decisively on the security assistance burdens abroad that the American people have carried for so many years. I am fully aware of the changes in the world situation and conscious of the pressures to reorder our domestic priorities, both of which have led to the close reexamination of the purposes, as well as the proposed level of funding, of these programs.

One thing is unmistakably clear. This amendment will permit eventual further reductions of U.S. forces abroad and the further shifting of the defense burden from us to our allies. It does so by providing the resources needed by the countries concerned to assume a greater level of their own security responsibilities. In fact, the risk of U.S. involvement is directly related to the level of funding. In Korea, for example, one-third of the U.S. forces have been withdrawn and South Korea has assumed an increasingly self-reliant role in Korean defense.

I believe, therefore, that this amendment to restore the administration's proposed level of funding can correctly be portrayed as another step in a studied effort extending over recent years to phaseout grant military aid as part of a continuing, orderly, and peaceful transition toward greater self-reliance by America's friends and allies. I believe that even the most fervent supporters of S. 1443 would agree that the proposed levels of assistance were not the result of a careful analysis of the needs of the nations concerned, but were rather the consequences of a prior determination to cut back.

Mr. President, the United States exercises a stabilizing influence in the world. Stability is deplored by some unthinking people who forget that it is the essential condition for economic progress and the very basis of peace. It is with this larger concern for the well being of other countries in the world that I urge support for the amendment that would reassure our friends and allies that the United States does not intend to reverse the direction of our policies that have brought us to our present bright prospect for a generation of peace.

Mr. President, I know that there are a lot of people in this country who have disagreed with a great number of things done by this administration. I am aware that not all of the administration's domestic programs are popular. But I am certain of one thing, and that is that the vast majority of the American people support the President in the formulation and implementation of foreign policy. I would say that the foreign policy of this administration is popular and has been marked by considerable achievement.

The current President of the United States is probably the most sophisticated President in international affairs that we have ever known. He is a man who has a facility for geographic and strategic political and economic understanding throughout the world, a man who has taken new initiatives in the development and implementation of American foreign policy that have met with almost universal approbation. It would seem tragic to me that in the one area where everyone seems to agree that the President does best—that is, the area of foreign policy—we should impose strictures on him, that we should deny him the flexibility and the strength that he needs to negotiate, that we would practically terminate the Nixon doctrine, which has gained such wide acceptance, and in so terminating current American foreign policy, or at least stultifying it, offer nothing to replace it.

I do not think that anybody could contend that Congress can vote a formula to implement foreign policy. A great deal must be left to the President. Certainly Congress must be listened to. Congress must make its own recommendations; Congress must exercise the power of veto; but Congress cannot single-handedly formulate and implement foreign policy.

If the provision, section 2103, as it is currently written is allowed to stand in the bill, then I think a fruition of the Nixon doctrine cannot be realized.

So I urge the Senate to adopt the amendment that I offer to strike out the line items specified in the bill, specified in the overall authorization ceiling for the President to spend, and leave him with the flexibility properly to implement the Nixon doctrine, by assisting people who are willing to defend themselves to the extent that the American presence can be reduced throughout the world.

Mr. President, I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, does the chairman of the committee desire the floor?

Mr. FULBRIGHT. I would like to make a statement.

Mr. GOLDWATER. I can wait.

Mr. FULBRIGHT. I thank the Senator.

Mr. President, I yield myself such time as I may require.

This is probably the most significant, important amendment that will come

before the Senate with regard to this bill. It would increase the funds for military grant assistance by $232 million, more than a 50-percent increase in the amount recommended by the committee.

The sponsor of the amendment would have Senators believe that the committee has taken drastic action that will leave our allies around the world defenseless before their enemies and imperil our own security in the process. Let us get beyond the worn and tattered rhetoric of foreign military aid and look at the specifics.

The committee has recommended a total of $420 million in grant military aid. Four years ago Congress appropriated only $350 million for this same program. So the committee, in my view, has been overly generous, especially in view of our Government's perilous fiscal situation. I find it quite uncomfortable to be in the position of defending a $70 million increase in military aid from the level of 1970—I would much rather be defending a $70 million reduction.

Grant military aid is part of an overall program labeled "security assistance." The phrase "security assistance" is at the heart of our problem. What exactly does it mean? What does "security assistance" secure? If "security assistance" does not really promote and sustain our national security, either directly or indirectly, then we are allowing ourselves to be misled simply by the vague connotations of that label, and thus to misspend hundreds of millions of dollars at a time when our Nation's economic plight calls desperately for restraint in spending.

Let us take note of the specific countries which would be beneficiaries of this amendment. I cite the administration's list of countries which would receive outright military grants in amounts which exceed $10 million. Apart from Laos and Vietnam, there are eight: South Korea, $261 million in outright grants; Cambodia, $181 million; Turkey, $98 million; Thailand, $58 million; Jordan, $39 million; Indonesia, $23 million; the Philippines, $21 million; and Ethiopia, $11 million.

I challenge the proponents of this amendment to explain exactly how any of these grants will serve to thwart territorial aggression in any part of the world. How precisely will any of these grants strengthen the strategic security of the United States? We are told by the administration, in the paper it has circulated urging Senators to restore the amount requested, that if that amount is not restored:

> The forces of stability and peace in the world would be deprived of vital, concrete sources of U.S. support.

That sounds quite ominous. But what does it mean? Can anyone in this Chamber be more specific?

Take the case of South Korea, the most favored of our military grant aid beneficiaries and a nation where we continue to maintain 40,000 troops at an annual cost of $583 million. That is cost to us. Does South Korea, which already possesses one of the world's largest and best-equipped armies, really need one-quarter of a billion dollars in grant military aid this year in order to protect itself from the Koreans of the North? And at a time when South Korea is able to maintain a modern army of 650,000 men with an expenditure of only 4 percent of its national product, while the North Koreans must devote 15 percent of their GNP to maintain an army only two-thirds as large? The answer, I think, is clear: The South Koreans do not have to make the hard choice between military and social spending as long as American taxpayers are so generous with their subsidies. I might add that, in addition to the military aid and the costs of maintaining U.S. troops there, the administration plans to give Korea $182 million in economic aid in the next fiscal year.

Mr. President, I think it appropriate to invite the attention of the Senate to an article which was published in the Washington Post on June 23 about Korea. It is entitled "Seoul Alters Stand on North Korea in U.N." I ask unanimous consent to have the article printed in the RECORD.

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

SEOUL ALTERS STAND ON NORTH KOREA IN U.N.

(By Don Oberdorfer)

Washington Post Foreign Service

TOKYO, June 23.—In an abrupt reversal South Korea today dropped its strenuous and longstanding opposition to North Korean admission to the United Nations.

The announcement of the shift came in a statement by President Park Chung Hee, broadcast in Seoul and distributed to correspondents and diplomats here and in other key capitals.

South Korea's new position falls short of recognizing the Communist government in the North, and Park declared officially that it does not signify such official recognition. But both the substance of the declaration and accompanying explanation go farther than ever before in accepting North Korea as an unavoidable fact of international life.

The change in policy came five weeks after North Korea was voted into the World Health Organization, a U.N. agency, thus making it nearly certain that a full scale U.N. debate will be held on the Korean problem this fall, with both of the rival Korean states invited as observers.

Neither Korean government is a member of the United Nations today, although the U.N. flag still flies over American military installations in South Korea as a legacy of the U.N.-sponsored "police action" which stopped the Communist invasion of 1950–1953.

After nearly two decades of bitter and sometimes armed hostility, North and South Korea surprised the world last July 4 with a joint communique revealing the initiation of secret high-level contacts between them. They pledged to work together peacefully toward national reunification and established regular public contacts through reciprocal visits by a high-level "coordinating committee" and separate humanitarian-oriented Red Cross delegations.

The North-South talks have recently bogged down in mutual recriminations. A South Korean statement accompanying Park's speech today charged the North Koreans with using the discussions to "promote instability and subversion in the South" and to "improve their international standing with other nations" at the expense of the southern government.

"Many difficulties lie in the way of the dialogue," Park said today. "A considerable length of time will also be required before the results of the dialogue originally expected can be attained."

Nevertheless, the South Korean ruler—who cited the North-South discussions as his principal justification for declaring martial law and assuming nearly total political control in the South last fall—pledged to persist in the talks "with sincerity and patience."

Park declared that the post-World War II "cold war" era has ended and a new era of peaceful coexistence "based on the status quo" has begun. "Judging also from a series of events witnessed in this part of the world, it seems unlikely that the unification of our fatherland can be attained within a short period of time," he said.

To a large degree, today's policy switch was a bow to nearly inevitable developments at the United Nations and elsewhere. During a recent international swing which ended only a week ago, South Korean Prime Minister Kim Jong Pil had been advised by leaders of several friendly countries to take a more flexible stand regarding the United Nations and other diplomatic questions.

Among those reportedly expressing this view were West German Chancellor Willy Brandt, whose government has applied for U.N. membership along with East Germany, and Prime Minister Kakuei Tanaka of Japan.

In a press conference immediately following Park's announcement, Japanese Foreign Minister Masayoshi Ohira hailed the new South Korean stand as "a realistic and constructive policy in accordance with the present situation in the Korean peninsula and in keeping with the trend of relaxation of tension in the world."

Ohira said it was too early to announce a Japanese position on the possible entry of the two Koreas or on Japanese diplomatic recognition of the North.

North Korea has not said whether it will apply for full U.N. membership, though it is generally expected to do so. Park said today that South Korea definitely will seek full membership in the world body.

Mr. FULBRIGHT. Mr. President, let me read two paragraphs:

> South Korea's new position falls short of recognizing the Communist government in the North, and Park declared officially that it does not signify such official recognition. But both the substance of the declaration and accompanying explanation go further than ever before in accepting North Korea as an unavoidable fact of international life.

And:

> Park declared that the post-World War II "cold war" era has ended and a new era of peaceful coexistence "based on the status quo" has begun.

The whole thrust of the article is summarized in that last sentence.

Mr. President, Turkey was also cited in the administration's briefing paper. Turkey is a member of NATO, whose members spend, on the average, 4 per-

cent of their gross national product for defense. Turkey spends 5 percent of her GNP for military purposes. The United States supplies all of Turkey's military aid, maintains 290,000 troops in Europe, and pays 7 percent of its GNP for defense. Surely Senators will agree that the rich European nations should share with the United States this burden of providing arms to Turkey. Yet we not only give Turkey vast amounts of military aid, but spend $90 million a year for our troops stationed there. And, in addition, the administration proposes to give her $64 million in economic aid next year.

Military aid is only a small part of the flow of American tax dollars to countries getting aid through this bill. All of the countries slated to receive military grant aid under the bill also receive large amounts of economic aid or are subsidized through the presence of U.S. military forces, or both. I have already cited Korea and Turkey.

In Thailand we spend annually $31 million for maintaining our bases there. And the executive branch has proposed to give her $36 million in economic aid in the coming year.

In the Philippines we spend $287 million on our bases and plan to provide her with $70 million in economic aid.

Jordan is slated to receive $70 million in economic aid under the administration's plan.

Indonesia is programed for $220 million in economic aid.

Ethiopia is programed for $20 million in economic aid and we will spend $14 million on our base there.

In Spain we will spend $128 million for our bases.

And, Cambodia is programed for $101 million in economic aid.

I ask my colleagues to pose the question, "What does 'security assistance' secure?" In virtually every case, I submit, these weapons transfers serve neither to protect the recipient country against any real threat of external aggression, nor to strengthen the national security of the United States. To be sure, there are many cases where these weapons transfers have the effect of strengthening particular regimes against internal dissent. Indeed, the primary effect of so-called security assistance is to maintain the status quo—which means keeping certain regimes in power. Is this a proper purpose of American foreign policy? As a Republic which emerged from the modern world's most successful revolution, are we now to cast ourselves against the inherent right of a people to overturn a government which serves it poorly? The internal stability of a foreign country is its own business, whether or not that country is one of our "free world" allies, as recipients are called in the language of military aid.

We have, in a sense, become trapped by our own largesse. For the Executive to decide to curtail our military aid munificence might appear as an affront to some recipient countries, a reversal, an unfavorable change in policy. Congress can release us from this trap—by taking broad, nondiscriminatory action which places the executive branch in the position of curtailing arms handouts not by choice, but by necessity.

The argument is also put forward that military assistance relieves less wealthy countries of the heavy burden of defense expenditures that they would otherwise have to finance from their own scarce resources. There is an underlying assumption that these expenditures are both necessary for security reasons and that they would be made regardless of whether we gave them military aid. This is a doubtful assumption. Here the case of Korea is again instructive. Surely it strains credibility to suppose that the South Korean Government would find it rational to maintain such a preponderance of force on the Korean Peninsula if it were not attached to the umbilical cord of American support. American military assistance allows South Korea, a nation of 32 million, to maintain the fourth largest army in the non-Communist world, purportedly to defend itself against another Korean nation which has only 14 million people and a much smaller army. Without this support, the South Koreans, who now devote only a small portion of their GNP to defense, would necessarily have to confront the hard decisions between military and nonmilitary expenditures. Surely they would find it prudent to maintain a force of significantly smaller dimensions. Here, as elsewhere, there is a vicious circle at work: many of these countries are able to maintain unnecessarily large forces because of military assistance. Once such large forces are created, they take on the image of being essential for security—both the security of the recipient nation and our own security. Thus, their perpetuation becomes the justification for perpetual military assistance. It is time to break this cycle.

Mr. President, I wish to lay to rest any concern that the passage of S. 1443 would have a drastically destabilizing effect either in our own bureaucracy or in the exercise of American diplomacy. For fiscal year 1974 the administration has proposed to transfer $8.6 billion of our resources to foreign nations through various foreign aid programs. Of this, $4.1 billion would come under the general heading of "Security Assistance" and $4.5 billion under the general heading of "Development Assistance," which includes the request for assistance in reconstructing Indochina.

Mr. President, I ask unanimous consent that the table from which these figures were obtained be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. SCOTT of Virginia). Without objection, it is so ordered.

(See Exhibit 1.)

Mr. FULBRIGHT. Mr. President, the programs in the bill before the Senate involve only a small portion of the proposed flow of U.S. resources abroad for military and economic assistance. In view of this, it can hardly be argued that the passage of S. 1443 would constitute a drastic diminution of our foreign assistance effort.

There is now $1.4 billion in the pipeline for military assistance grants and military credit sales. Even if S. 1443 were not passed at all and Congress allowed no additional authorizations or appropriations for any of these programs, it would be several years before all of the aircraft, tanks, and equipment on order were actually delivered.

Mr. President, recently my distinguished colleague from Pennsylvania, the minority leader, employed a striking metaphor. In referring to the spending habits of the Senate, he said that Senators are like dope addicts. "They go to the President, in effect, and say 'Stop me, save me, help me, I can't help myself'." Regrettably, Mr. President, there is much truth in this analogy. Senators are frequently reluctant to curtail programs which have developed a constituency; often there does appear to be an almost compulsive urge in Congress to continue programs which do the Nation as a whole no good.

But the affliction which my colleague has described is far more widespread than his remarks might indicate. In the case of the "security assistance" program, it is the executive branch which is addicted—trapped by a constituency of foreign governments which have grown attached to our largesse, and fastened to a policy of perpetuation by a bureaucracy that knows no other way. It is the executive which must be rescued here—from its bureaucratic and diplomatic addiction to a program which no longer bears any relation to the needs of American national security.

To continue the Senator's metaphor, Mr. President, I point out that S. 1443, as it now stands, is far from the cold-turkey treatment that this particular addiction deserves. Total denial may be the best cure. However, in an effort to appeal to broad support in this body, the Foreign Relations Committee has, in S. 1443, provided a treatment of firm but gradual withdrawal. It is a sound treatment—for a compulsive addiction that the Senate should have moved to cure long ago. To those of my colleagues who may now consider offering the executive branch and the countries which receive grant aid still another "fix" by voting to add $232,000,000 to this bill, I offer a challenge: to rise here and now to explain to the Senate and to the Nation the justification for their extravagance during a month when the American dollar has fallen to its lowest point in history.

I urge that the amendment be defeated.

EXHIBIT 1

TRANSFERS OF U.S. RESOURCES TO FOREIGN NATIONS—WORLDWIDE DISTRIBUTION BY PROGRAM

[In thousands of dollars]

	Fiscal year 1972 actual	Fiscal year 1973 estimated	Fiscal year 1974 proposed
Grand total of all U.S. resources transferred	9,278,578	9,511,259	8,643,349
Security assistance (subtotal)	6,040,038	5,945,192	4,111,417
Military assistance program	549,892	589,100	771,500
Distributed by country	(527,813)	(453,028)	(648,727)
Not distributed by country	(22,079)	[1] (136,072)	(122,773)
International military education and training program			33,000
Distributed by country			(30,123)
Not distributed by country			(2,877)
Military assistance service funded	2,584,100	2,735,000	1,870,800
Distributed by country	(2,584,100)	(2,735,000)	(1,870,800)
MAAG administrative costs—Military department funded	95,157	96,110	52,409
Distributed by country	(95,157)	(96,110)	(52,409)
Transfer of defense stocks	252,421		
Distributed by country	(252,421)		
Excess defense articles	107,318	185,000	185,000
Distributed by country	(107,316)	(184,000)	(185,000)
Not distributed by country	(2)	(1,000)	
Ships transfers, distributed by country	159,696	121,000	6,500
Real property transfers	631,128	721,091	244,553
Security supporting assistance	593,226	627,891	124,055
Distributed by country	(577,883)	(606,786)	(117,500)
Not distributed by country	(15,343)	(21,105)	(6,555)
Foreign military credit sales	550,000	550,000	760,000
Distributed by country	(550,000)	(550,000)	(760,000)
Export-Import Bank military loans	190,000	100,000	[2]
Distributed by country	(190,000)	(100,000)	[2]
Public Law 480 (sec. 104(c)), distributed by country [3]	(67,060)	(157,900)	(162,080)
Purchase of local currency (Vietnam)	327,100	220,000	63,600
Indochina postwar reconstruction (subtotal)			630,945
Distributed by country			(614,000)
Not distributed by country			(16,945)
Development assistance (subtotal)	3,238,540	3,566,067	3,900,987
Agency for International Development	(1,474,228)	(1,334,491)	(1,338,314)
Development loans—distributed by country	535,700	493,400	596,000
Not distributed by country	68,350	99,600	49,000
Development grants—distributed by country	111,726	98,603	102,725
Not distributed by country	66,657	73,897	84,525
Population programs—distributed by country	27,842	32,717	37,071
Not distributed by country	11,904	11,306	9,675
South Asian relief	194,422	101,100	500
American schools and hospitals abroad—not distributed by country	19,987	25,532	10,000
International organizations and programs—not distributed by country	182,037	145,631	177,122
Administrative expenses not distributed by country	58,628	57,159	57,875
Administrative expenses—State	4,448	[4] 4,420	5,100
International Narcotics Control and Contingency Fund—Distributed by country	49,812	12,617	20,481
Not distributed by country	17		
Contingency fund, undistributed		12,773	30,300
Narcotics, undistributed			9,738
Program support and interregional activities—Not distributed by country	142,696	165,736	148,202
Peace Corps—Distributed by country	50,314	50,715	51,463
Not distributed by country	3,855	7,227	6,543
General support	20,931	22,898	18,995
Public Law 480—Distributed by country	1,025,115	1,072,410	976,575
Not distributed by country	96,888	9,790	22,345
Ocean freight	190,510	162,500	117,700
Grants of title I sec. 204	3,001	2,000	1,000
Private trade entities		13,400	10,000
Emergency reserve			19,180
U.S. contributions to international financial institutions:			
IBRD:			
Paid-in capital	12,300		
Callable capital	(110,700)		
International Development Association		320,000	320,000
Inter-American Development Bank:			
Paid-in capital	75,000	25,000	25,000
Callable capital	(136,800)	(168,400)	(168,380)
Fund for special operations		225,000	500,000
Asian Development Bank:			
Paid-in capital			24,200
Callable capital			(96,800)
Special funds			100,000
State Department migration and refugee programs—Not distributed by country	14,895	[5] 12,067	7,600
Inter-American Foundation	2,847	3,473	13,285
Pan American Highway	343		
Darien Gap Highway	9,755	20,000	30,000
Mutual education and cultural exchange	29,579	32,563	38,557
Nonregional	11,226	12,437	14,443
Trust Territories of the Pacific	55,581	63,903	66,000
Contributions to international organizations (State Department)	162,172	176,191	199,787

[1] Includes $300,000 supplemental for pay costs.
[2] Not available.
[3] Nonadd. Estimated at 80 percent of Public Law 480 title I agreements (export market value).
[4] Includes $100,000 supplemental for increased dollar requirements resulting from the dollar devaluation of Feb. 12, 1973.
[5] Includes $600,000 for increased dollar requirements resulting from the dollar devaluation of Feb. 12, 1973.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. I yield such time to the Senator from Arizona as he may require.

Mr. GOLDWATER. Mr. President, I agree with the chairman of the Committee on Foreign Relations that this is a very important amendment. But I challenge the term "drastic action" as it applies to this amendment. I refer to the bill itself, for example, for drastic action that goes far beyond the amendment offered by the distinguished Senator from Texas.

I think it works a violence on the Nixon doctrine, which seems to have been accepted by the American people and by Congress, whereby we would not find ourselves engaged in any more Vietnams. To prevent this, we would furnish military supplies, where needed, to countries and train those people in their use.

Mr. President, if we read further in this bill, we find some of the drastic action to which I refer.

On page 22, under section 2105(a):

The value of any excess defense article furnished under this chapter to a foreign country or international organization by any agency of the United States Government shall be considered to be an expenditure made from funds appropriated under section 2103 of this Act.

There we get directly at the military assistance program.

I might remind my colleagues that in my years in the Senate, I have never voted for foreign economic aid, and I never will. I think technical assistance and military assistance are very valid parts of a program of the United States to help countries around the world improve themselves and then to defend what they have improved. But under section 2105, we would be denied, with some limitations, giving surplus military equipment to other countries, which has really been the backbone of our military assistance.

Then, we read on page 25, line 5, under section 2106, a little more of the drastic action, where the restrictions apply to "a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that grant assistance, if the Senate has given its advice and consent to such agreement."

They except South Vietnam, Laos and Cambodia under that provision.

In the last several days, we have passed legislation that would make this language applicable. We have, I imagine, most of our foreign bases under executive agreement; but all of a sudden we would find it impossible for us to give military assistance to countries in which we participate in training or help if the Senate has not given its advice and consent.

Then, a little more on the subject of drastic action—I think this is very drastic—under chapter 23, "Military Training," section 2301, "General Authority"——

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I yield.

Mr. FULBRIGHT. With reference to the section on page 25, line 5, that is equivalent to the so-called Case amendment, which the Senate agreed to last week.

Mr. GOLDWATER. I agree.

Mr. FULBRIGHT. I thought the Senator left the impression that this is a radical departure from past practice. This already has been approved in principle.

Mr. GOLDWATER. I say "drastic action," and those are the words of the chairman. I did not dream up those words. I am trying to point out where this bill, in my opinion, imposes drastic action which Senator TOWER and others are trying to eliminate by his amendment. I merely point out that it has only been in the last several days that we have given substance to legislation that would prevent us from ever entering into an agreement without the advice and consent of the Senate.

I read from page 28, under "Military Training, General Authority," section 2301:

> The President is authorized to furnish, on such other terms and conditions as the President may determine, military training to any foreign country or international organization. After June 30, 1974, no such training shall be conducted outside the United States except by specific authorization of law.

We all know that it is—I will not say mandatory or even legal—necessary that, when we give a piece of military equipment to any foreign country, we have to train that country in its use. We have been roundly criticized, for example, for training pilots from the Arab nations in the type of aircraft we have made available to those nations. We have been equally roundly criticized for training pilots from other nations with whom some of our people do not agree.

But when we say that after June 30, 1974, no such training can be conducted outside the United States, I think we are taking drastic action against Nixon doctrine, to which I have heard no loud exception or even strong exception in Congress or from other people.

Mr. FULBRIGHT. Mr. President, will the Senator yield on that point?

Mr. GOLDWATER. I yield.

Mr. FULBRIGHT. Is it not a fact that Arab pilots and many others are trained in this country? This does not prohibit it. It simply refers to their being trained outside the United States. As a matter of fact, most of them have been trained in this country—I think practically all of them, with very few exceptions, especially pilots.

Mr. GOLDWATER. The Senator is correct. But under the Nixon doctrine, we did not specifically state that they would be trained in this country.

Frankly, I think it would be to our advantage to train them in their own country. I am thinking, for example, of building up a very formidable air force, and it would be simpler for us to send people to that country and train them.

Mr. FULBRIGHT. They can hire technicians.

Furthermore, we say that if it is going to be done, it has to be authorized. This is part of the effort to bring Congress back into the picture. The bill does not prohibit it. It says if you are going to do that, Congress should authorize it.

Does the Senator object to Congress having the opportunity to consider measures such as this?

Mr. GOLDWATER. I object to it because I think it is inconsistent with what President Nixon has stated in his doctrine—the freedom to train these people, whether it be in this country or other places. I know of equipment that would have to be transported back to the United States—obsolete equipment we no longer use, equipment that appears in these countries. Why should we deny the training?

I am merely citing this under the language used by the chairman—"drastic action" because I think it is drastic action against the Nixon doctrine.

Mr. FULBRIGHT. But this does not prohibit training programs.

With respect to the major ones that the Senator is talking about, in connection with pilots, it has been found to be advantageous to train them in this country, in Texas and Arizona, where we have fine bases.

All it says is that if you want to continue the kind of program in South Vietnam, ask Congress to authorize it. The Nixon doctrine does not exclude the Congress from participation in these decisions. I do not think the President intended by the Nixon doctrine that Congress should lay low.

Mr. GOLDWATER. I am not confining my comments to pilots. Probably I would have been better off leaving them out.

As another example, I think of the military training for people that supported Cuba, or in Africa. We are now——

Mr. FULBRIGHT. If the Senator will yield, I hate to keep interrupting, but is it not true that training by the CIA would not have been affected by this? That was the CIA and not the Department of Defense.

Mr. GOLDWATER. There is a great question in my mind if the Senator is correct. I think if the Senator understood the kinds of things we are talking about it would be military. I am pointing out this language as language taking drastic action. It does not matter to the thrust of the Tower amendment, but to the whole bill it seems to be removing the United States from military assistance around 1974, 1975, or 1976.

Mr. FULBRIGHT. Would not the Senator agree we might be better off if Congress had had some knowledge about the Bay of Pigs, for instance, and not let the CIA do it covertly? Does not the Senator think we would have been better off? Does not the Senator think he would have looked at that differently if he had the opportunity to examine it?

Mr. GOLDWATER. To tell the truth, I have my doubts. This place leaks like a sieve. I do not want to see too much secret material popping around the Senate, and that was certainly secret.

Mr. FULBRIGHT. If the Senator had the opportunity to pass on the merits of that before it was done I believe he would have found it was a very poorly designed program to accomplish our purposes.

Mr. GOLDWATER. That is not the question the Senator confronted me with, but if he wants an answer I would have said at that time I did not think it was complete enough, or that there was enough agreement on what was to be done, and I do not think the President understood it.

Mr. FULBRIGHT. I agree, but under this provision, assuming the CIA is under this provision, and it is dubious, if we are going to train troops in Nicaragua, for instance, it says, in effect, that BARRY GOLDWATER, JOHN TOWER, and others should know about it and have an opportunity to pass judgment on it. It does not say you cannot do it; it says that Congress must authorize it.

Mr. GOLDWATER. Mr. President, I would like to continue this discussion at great length because it gets into the basic fundamentals about which we are in disagreement, but I am talking on the Tower amendment, and we have wandered away from that. If the chairman had not used the words "drastic action," I would not have been tempted.

Now, I would like to get to some problems with which we are faced, and I am not certain it would all be under military spending.

For example, the air traffic control of Russia is finally receiving our attention. They plan to buy a large amount of equipment to improve their air traffic control. Some of this unquestionably is outside the military and would be of value to the military as well as to civilian planes. So we run the risk there of not being able to sell something to Russia that is going to be sold by some other country, regardless.

We have made some interesting contracts for a lightweight fighter, the F–5E, not in substantial numbers yet, to South American countries that we have not done business with before.

We continue to have an interest in the A–4 aircraft that has proven to be very valuable in Israel. Several countries are negotiating on the A–7, which is an aircraft that we would like to see continue in production but the Air Force does not seem to want it.

We have the F–16 and F–17 coming up, lightweight fighters, that undoubtedly will be in demand from countries to the south of us.

I think of the SAM–D, which is a ground/air weapons system, and we felt when we developed it that no other country would be able to compete with us. I refer to countries in the free world. In the Paris Air Show I saw a comparable air system developed by Israel that is available to other countries which we would be denied selling to some of these countries listed.

We continue to sell jeeps in large quantities to Turkey and the Philippines, among other countries that I know of. We sell trucks to the same countries. Our communications equipment has been in great demand in all countries around the world. It is of a military nature, if you want to get down to specifics. This would be curtailed.

In the matter of helicopters, we find countries all over the world buying them now, and whereas a few years ago we were the principal providers, we are not now. We have competition from France and other countries.

Mr. President, I look at the restrictions in S. 1143. I see some real harm that can come to our economy, not from the denial of giving, but the denial of even making it possible for other countries to obtain, countries which require our help in the form of credit, which our competitors around the world are perfectly willing to grant.

Mr. President, I hope this amendment is successful. I agree that it is a very important amendment.

I think the measure would provide drastic action to the Nixon doctrine and would be unnecessary at this time and stage. If it is the intent of this Congress or this body to eventually do away with military assistance, and I find no fault with that except when is it going to come, we have not done it in the right way.

I have not perused the rest of the bill to see examples of the action I describe, but I think passage of the Tower amendment would be a step in the right direction in that it would show our allies that we are not beginning to go backward or look away from them or the part they can play in helping to keep peace in the world.

Mr. TOWER. Mr. President, how much time remains on either side?

The PRESIDING OFFICER. The Senator from Texas has 7 minutes and the Senator from Arkansas has 15 minutes remaining.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally divided between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. 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. TOWER. Mr. President, I ask for the yeas and nays on my amendment No. 269.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

How much time do I have?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. TOWER. Mr. President, S. 1443 proposes 35 percent less than the administration's request of $652 million in fiscal year 1974 and nearly 25 percent below the fiscal year 1973 level of $550 million. It also proposes a requirement that recipients deposit 25 percent of the value of the military assistance program in local currencies for U.S. Government usage. This provision represents a considerable further reduction in grant aid than that proposed by the President. A cutback of this magnitude would be read throughout the world as signaling an abrupt shift in U.S. policy. Instead of facilitating an orderly transition to the goals of self-reliance inherent in the Nixon doctrine, it would come as a severe jolt to our friends and allies and adversely affect stability and peace in the international community. The impact would be particularly felt in such countries as Korea, Turkey, and Jordan.

For Korea the administration proposed $261 million. The current bill would reduce that to less than half that amount, or $119 million.

We are moving into the fourth year of a 5-year modernization program which has already permitted us to reduce our forces in Korea. We have taken a division out of Korea. If Korea can continue to negotiate from strength, the new developments in North-South talks show promise. We must understand that if we weaken Korea, we could undermine these developments. Yes, the fact of the matter is that there is a growing feeling of détente between North and South Korea, but what should also be understood is that North Korea continues to modernize her forces. They continue to get ever-increasingly sophisticated weapons systems from the Soviet Union.

It should be apparent to all that a time of détente is not a time to unilaterally reduce one's military strength, because a time of détente means a coming together of nations in a spirit of the realization that it is in their self-interest to negotiate their differences; and the nation that has to negotiate from a position of weakness negotiates from a position of disadvantage. We must know that détente is not an argument for the reduction of military expenditures. The Soviets are not reducing their military expenditures. The Soviets are not reducing their assistance to the Warsaw Pact countries and to others of their Communist allies. They are increasing that assistance in the form of modernization of their forces. How foolish in the face of this for us to be reducing our assistance to our allies.

I mentioned Turkey as an important country. The administration proposes $98 million for Turkey. This bill gives half of that amount, or $49 million. Turkey's important position on the NATO southern flank and in the Middle East deserves our full support. Turkey shows that it is prepared to shoulder an increasing amount of its defense requirements from its own resources. In fiscal year 1972, for the first time, it assumed FMS credits, which are increasing in fiscal year 1973 and fiscal year 1974.

I do not have to lecture anybody here who knows anything about geography on the vast strategic importance of Turkey, not only as vital to the southern flank of NATO but as vital in terms of stability in the Middle East.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. TOWER. I ask the Senator from Kansas to yield me time on the bill.

Mr. PEARSON. Mr. President, how much time does the Senator desire?

Mr. TOWER. Five minutes.

Mr. PEARSON. I yield 5 minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. TOWER. Much of Turkish military hardware has been woefully inadequate. It has been old, obsolete, or obsolescent, and there is a desperate need to modernize the military forces of Turkey. Yet this bill would reduce by half what was requested by the administration.

Let us turn to Jordan. The administration proposed $40 million for Jordan. S. 1443 would provide only $30 million. I think we could never overestimate the tremendous importance of what the Jordanians are doing in their forthright actions against the Fedayeen and how much that means to us in terms of Middle Eastern stability. If peace is to be achieved in the Middle East, Jordan must remain strong. Its efforts to do so, in my estimation, merit the level of support proposed by the administration.

Mr. President, again what we are trying to do here in this grant program is to enhance the ability for friendly nations to defend themselves. In so doing, we serve our own national interest.

It is an eternal verity that it is incumbent upon a nation to maintain its defense perimeter as far from its own shores as possible and as close to the shores of an adversary as possible.

The strength of our friends contributes to the security of the United States of America. It is time that we improve and modernize to the extent that we can contribute to the improvement and modernization of the forces of friendly nations.

The success of the Nixon doctrine which has almost universal approbation is at stake in what we do here today.

I therefore urge the Senate to restore the funds asked for by the administration and to give the President the flexibility that is required in the use of these funds to make sure that the Nixon doctrine can be successfully implemented.

Mr. President, I yield back the remainder of the time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question now occurs on the amendment of the Senator from Texas. 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 Alaska (Mr. GRAVEL), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Michigan (Mr. HART) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Iowa (Mr. CLARK) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Alaska (Mr. GRAVEL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) is necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 33, nays 59, as follows:

[No. 228 Leg.]

YEAS—33

Allen	Dominick	Johnston
Baker	Ervin	McGee
Bartlett	Fannin	Packwood
Beall	Fong	Saxbe
Bellmon	Goldwater	Scott, Pa.
Brock	Griffin	Sparkman
Buckley	Gurney	Stevens
Cotton	Hansen	Taft
Curtis	Helms	Thurmond
Dole	Hruska	Tower
Domenici	Jackson	Young

NAYS—59

Abourezk	Haskell	Moss
Aiken	Hatfield	Muskie
Bayh	Hathaway	Nelson
Bentsen	Hollings	Nunn
Bible	Huddleston	Pastore
Brooke	Hughes	Pearson
Burdick	Humphrey	Pell
Byrd, Harry F., Jr.	Inouye	Percy
	Javits	Proxmire
Byrd, Robert C.	Kennedy	Randolph
Cannon	Long	Ribicoff
Case	Magnuson	Roth
Chiles	Mansfield	Schweiker
Church	McClellan	Scott, Va.
Cook	McClure	Stafford
Cranston	McGovern	Stevenson
Eagleton	McIntyre	Symington
Eastland	Metcalf	Talmadge
Fulbright	Mondale	Tunney
Hartke	Montoya	Weicker

NOT VOTING—8

Bennett	Gravel	Stennis
Biden	Hart	Williams
Clark	Mathias	

So Mr. TOWER'S amendment (No. 269) was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STEVENS. I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The 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.

Mr. STEVENS' amendment is as follows:

On page 32, line 11, after "Sec. 3101." insert "(a)".

On page 32, after line 20, insert the following:

(b) (1) Any such sale, loan, lease, gift, or transfer of a non-combatant type vessel or boat may be made only

(A) if, after the terms, price, and conditions of any proposed offer to dispose have been published in the Federal Register, members of the United States fishing industry, States and political subdivisions thereof, and United States educational and scientific institutions are given an opportunity to acquire the vessel or boat on the same terms, price and conditions, and no qualified bid is received within a reasonable period of time determined by the Head of the Agency; and

(B) if no qualified bid is received, only if the Head of the Agency of the United States Government making the disposition obtains satisfactory assurances that the vessel or boat will not be used in any way in competition with the United States fishing industry in fishing, fishing related, or fishing support activities.

(2) The appropriate agencies of the United States government are authorized and directed to carry out the provisions of paragraph (1)(A) of this subsection and to issue the necessary rules and regulations. They shall also require that bids be received within a set time period.

(3) No lease, loan, or other agreement previously entered into between the United States and any foreign country or international agency for any noncombatant type vessel or boat shall be renewed or extended except in conformity with paragraph (1)(B) of this subsection unless the lease, loan, or other agreement provides for its renewal or extension upon the same terms as the original lease, loan, or other agreement provides for its renewal or extension upon the same terms as the original lease, loan, or other agreement.

Mr. STEVENS. Mr. President, this is the amendment we had the discussion about earlier in the day. It has been rewritten to meet the concern expressed by the Senator from New York. It is the same in intent and purpose as the prior amendment.

I have discussed the amendment as now written with the ranking minority member and with the chairman of the committee. I understand it meets the objections raised by the Senator from New York. It is still an amendment which sets 2 criteria: First, that before a vessel is to be disposed of under this program, that fact will be published in the Federal Register, and an opportunity will be given to the fishing industry, to scientific and educational organizations, and to States and political subdivisions to bid on such vessel; and second, that if there is no bid received within a reasonable period of time as set by the head of the agency, the head of the agency disposing of the vessel must receive assurances, through conditions imposed by him, that it would not be used in competition with the American fishing industry.

I trust that the amendment will still be met with the approval of the chairman of the committee, in view of the changes we have made for the consideration of the Senator from New York.

Mr. JAVITS. Mr. President, the Senator from Alaska has made, in my judgment, the necessary changes. I do not want to characterize them as being decisive or not, but the necessary changes, for the information of the Senate, to result in not interfering with disposition, assuming that the domestic industry did not acquire it, because we would not have to have a disposition and then advertise what the terms had been; they would do it before they made the offer.

Second, the head of the agency could fix a time within which an offer should be forthcoming in order to prevent them from selling to anyone.

As to the condition respecting use in the fishing industry, Mr. President, it seems to me that that is a legitimate condition, considering the fact that this is Government property and it is to our own interest not to have our fishing fleet interfered with.

Personally, I see no objection to the amendment as modified.

Mr. FULBRIGHT. Mr. President, I agree with the Senator from Alaska and the Senator from New York. I think this is a principle we have recognized in many other areas for a long time, and I see no reason why it should not be applied to these ships. The ships are surplus property, paid for at taxpayer expense; our own people ought to have the first opportunity to bid on them. If no one wants them, of course, there would be no impediment to their disposition to foreign countries.

Mr. STEVENS. I thank the Senator from Arkansas. He has correctly outlined the intent of the amendment, together with the assurance that they will not be used in competition with the American fishing industry.

Mr. FULBRIGHT. The Senator is correct. I think this is a proper amendment.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. KENNEDY. Mr. President, I am happy to cosponsor with the distinguished Senator from Alaska (Mr. STEVENS) this amendment to the Military Sales Act designed to protect our American fishing industry.

The spiralling decline of our domestic fishing industry requires not only that we take the kinds of positive steps to assist the industry with grants and technical assistance, but that we assure with each piece of legislation that we consider that we in no way contribute to the most serious problem facing our fisheries—the increase in foreign fishing effort.

The amendment we offer today would assure that no vessel furnished to a foreign country under the Foreign Military Sales and Assistance Act would be used in competition with our own fishing industry and provide that our fishing industry and research institutions would have the first chance to acquire these vessels.

The conservation of our fish stocks is crucial to the revitalization of our fishing industry and to the future supply of marine resources. And it is research into the availability of stocks, the effects of overfishing, and the possibility of developing underutilized stocks that will serve to protect these dwindling resources.

The *Albatross IV*, a research vessel, has conducted surveys since 1963 which provide an accurate measure of the decline of the coastal species off New England. On Georges Bank groundfish catch per haul in the period from 1969 to 1971 showed a decline of 33 percent from the period 1963 to 1965 and skates declined by 57 percent. Flounders as a group show a drop of 29 percent. In the most heavily fished stocks such as cod, haddock, silver hake, and red hake, the reduction in abundance ranged from 34 percent for silver hake to over 90 percent reduction for haddock.

In southern New England, groundfish abundance dropped 42 percent and skates declined by 69 percent. Flounders as a group declined 20 percent, some species dropping more than 50 percent. Cod declined 60 percent and haddock 94 percent.

In 1965, fishermen in the Northeast Atlantic landed 550 million pounds of haddock and the Soviets caught 283 million pounds in the same period. The Northeast Report in Oceans magazine points out the significance of this catch:

The Soviets accounted for 283 million pounds, most of which were young fish spawned in 1963, an unusually successful year for this species, NMFS reports. This huge year class would have sustained normal U.S. haddock fishing into the 1970's and at the same time provided ample future breeding stock. But as a result of this pulse fishing (fishing for a particular species until it is no longer economically viable to do so), fishermen caught only 27 million pounds in 1970—the lowest amount on record. Because the haddock stock is so reduced, the ICNAF Assessment Subcommittee has recommended that fishing haddock off New England be suspended indefinitely.

Mr. President, a clear example of the decline of the New England fishing industry is the history of fishing in Gloucester, Mass. Between 1950 and 1967 in Gloucester the number of crewmen declined from 1643 to 700. The number of fishing vessels decreased from 196 to 110 during this same period. Total fish landings declined from 169 billion pounds in 1957 to 75 billion pounds in 1967. Total industrial fish landings declined from 80 million pounds to 9 million pounds in the same period. The value of industrial fish declined from $800,000 to $100,000.

On May 21 I inserted into the CONGRESSIONAL RECORD a copy of the Washington Post article entitled "U.S. Fishermen Caught in the Nets of Foreign Fleets." In that article, a Maine fisherman was quoted:

Most fishermen are talking about lasting two or three years.

The National Marine Fisheries Service reports that in April of this year, 312 foreign vessels, 190 of them Soviet plied the North Atlantic coast.

A study prepared by the Ship Design Division of Com-Code Corp. summarized the decline of the fishing industry in the United States in the last decade:

In the same decade that both world catch and U.S. demand was increasing, the total domestic catch of groundfish decreased 25%, the number of fishing vessels decreased 26% and the number of fishermen decreased 36%.

The economic impact of the loss of our fish resources over the long run is staggering to imagine. The economic impact of the current loss of the resources to American fishermen is measurable and may surprise those from States which are not on the coastline. Seventy percent of the fish the United States consumes each year is imported and as Oceans magazine pointed out in its February issue—these imports in 1971 represented one billion dollars on which there are only insignificant tariffs or none at all.

Mr. President, there are at least 11 research vessels loaned or leased to foreign countries as of March of this year. What we want to assure with this amendment is that no vessel provided to a foreign nation in the future will in any way further jeopardize the American fishing industry, that vessels which may be appropriately used for research will be offered first to the industry, coastal States, or institutions. The Congress must be alert to any opportunity to reverse the devastation of the fishing industry and to protect our fish resources, and I am hopeful that the Senate will act favorably on this amendment.

Mr. STEVENS. I yield back the remainder of my time.

Mr. JAVITS. I yield back the remainder of my time.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. SCOTT of Virginia). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, will the Senator from Arkansas yield me 5 minutes on the bill?

Mr. FULBRIGHT. Mr. President, I yield 5 minutes on the bill to the Senator from Illinois.

The PRESIDING OFFICER (Mr. CURTIS). The Senator from Illinois is recognized for 5 minutes.

A VIEW OF MILITARY ASSISTANCE

Mr. PERCY. Mr. President, as we consider the nature and extent of military assistance which the United States will make available to other nations in the year ahead, the questions usually posed to Congress are being asked again: How much money should be authorized for the overall military aid program? Which countries should be given military aid?

However, these questions do not probe deeply enough at a time when the interplay of military aid and military commitments has become better understood, and when the costs of every Federal program must be weighed in the scale of priorities.

Military assistance programs can be useful in giving independent governments adequate military strength to deter aggression, to enable them to keep insurgents in check, and to relieve their budgets of part of their legitimate weapons and training costs so they can achieve certain development goals.

Jordan is a good case in point. Military assistance to Jordan is a check on aggression from Syria and enables Hussein to keep the guerrillas on the defensive. Moreover, it makes possible some minimal economic development programing by the Jordanian Government.

But military aid is often counterproductive because it encourages some countries to concentrate their energies on military development at the expense of domestic reforms. It also keeps dictators in power and strengthens their authoritarianism, further alienating the people. We witnessed this in a graphic way during the years of aid to South Vietnam's Ngo Dinh Diem.

Other countries become more militant as a result of receiving weaponry they do not need for any responsible purpose. Pakistan, an ally and friend, is a good example, using under its past presidents its military equipment initially provided to "protect itself against Communism," in hopeless wars with its neighbor India and turning its guns on the Bengalis.

The Pentagon has long argued in favor of military credit sales, pointing out their favorable effect on the U.S. balance of payments. But this is an immoral argument and has resulted in the United States' becoming the biggest arms supplier in the world.

The State Department argues that military assistance enables the United States to maintain close relationships with the ruling classes in innumerable countries, thus making it possible for the United States to have a "constructive influence" on the policies of the rulers of such countries. But it is hard to find instances where U.S. military collaboration has measurably moderated authoritarian measures in Turkey, Taiwan, South Korea, the Philippines or South Vietnam.

It is true that U.S. military collaboration may keep some recipient countries from turning to other major powers for such collaboration, but it is hard to see what we lose when recipient countries turn elsewhere for help. It has cost the Soviet Union dearly to supply India, Cuba, Syria, Iraq and Egypt, yet the Soviet Union has certainly not substantially benefited from its military support of these nations.

At the same time, such military collaboration always raises the danger that we will become too involved with a regime, becoming identified in the minds of the people with its worst authoritarian aspects, or that we will become drawn into its own wars, as we were in Vietnam.

All too often our military aid advisory groups have tempted foreign governments with offers of sophisticated military equipment which is unneeded and which can be destabilizing, equipment which actually encourages militancy and puts pressure on nearby nations to escalate their own military potential.

Yet, in 6½ years in the Senate, I have had the annual experience of being told by the administration, whichever administration it may have been at the moment, that any reductions made in military aid requests will be disastrous. And the word "disastrous" is always used. If we do not approve the full request, friendly governments will be endangered, confidence in American commitments will be eroded, and the whole structure of peace will collapse in certain regions

of the world. This is the litany chanted to us by the Pentagon planners and those who sing along at the State Department.

I do not oppose military aid per se, but—for the reasons I have outlined—I believe that aid for every potential recipient nation must be scrutinized more carefully than ever before. We cannot blindly accept the recommendations of the Pentagon or the importunings of the State Department. For all their self-acknowledged superior information and wisdom, it was they who initiated 10 long years of war in Vietnam, proving their fallibility. It was they who pushed for so long upon our Nation the concept of monolithic world communism—a concept that has permeated and misdirected our foreign policy for decades and cost us tens of thousands of lives and tens of billions of dollars.

Clearly it is in our national interest to use military assistance more selectively and prudently with full attention to the foreign policy implications of every military grant and of every military sale. These are the considerations which should guide us as we debate the military assistance legislation now before us and try to wisely implement a national policy weaning ourselves away from the responsibility of policing the world but at the same time, in accord with the Nixon doctrine, helping those who are helping themselves in their own legitimate national defense efforts.

AMENDMENT NO. 271

Mr. BEALL. Mr. President, I call up my amendment No. 271 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

S. 1443

On page 24, strike out "25" in lines 5 and 12 and substitute "10" in lieu thereof in lines 5 and 12.

On page 25, beginning on line 8, strike out "if" and all that follows through and including "agreement" on line 9.

On page 25, beginning on line 10, strike out "under" and all that follows through and including "Act." and substitute in lieu thereof "; or".

On page 25, strike out line 12 and all that follows through and including line 23, and on page 26, strike out lines 1 through 4 and substitute in lieu thereof the following:

"(c) The President may waive any amount of currency of a foreign country required to be deposited under subsection (a)(1) of this section if he determines that the United States Government will be able to pay all of its official costs payable in the currency of that country enumerated under subsection (a)(2) of this section without the deposit of such amount and without having to expend United States dollars to purchase currency of that country to pay such costs.

"(d) In no event shall any foreign country be required, under this section, to make deposits in a special account aggregating more than $20,000,000 in any one year."

Mr. BEALL. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BEALL. Mr. President, in section 2106, the Foreign Relations Committee is seeking to establish a mechanism that will provide the United States with a supply of local currency to finance various activities of our embassies, provide funds for educational and cultural exchange activities, et cetera.

To make these local currencies available, the committee is proposing that the recipient government be required to deposit, in a special account, 25 percent of the amount of our military aid, 25 percent of the value of excess military equipment, and 15 percent of the cost of military training programs. S. 1443 allows for only two basic exceptions to be made in this provision, those being for countries with base agreements that have been approved by the Senate and military assistance to South Vietnam, Cambodia, and Laos.

My amendment will retain the language presently in the law; that is, it would require a 10 percent payment for grant programs, 10 percent for military sales and surplus equipment, and 10 percent on the amount required for training.

The amendment would also allow the President to waive the provisions if the supply of local currency is adequate to our needs. There is a $20 million ceiling on the amount that any one country must pay in one year.

While I understand the objectives of the committee and, I might add, these objectives have many commendable attributes, I am concerned about the practical application of the provisions contained in sections 2106 and 2303. I believe that enactment of these provisions will be detrimental to the conduct of our Nation's foreign policy.

Mr. President, if we look at the nations that would be most directly affected by the local currency deposit requirement, we find that many of them rank among the poorest nations in the world. I have compiled some information on the gross national product of each of the countries that would be covered by section 2106 as well as an estimate of the per capita income of each, and I ask unanimous consent that this information be printed in the RECORD.

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

Country	Fiscal year 1973 GNP (million)	Fiscal year 1973 per capita income	Treaties or agreements in force
Korea	$9,000	$274	Mutual Security Agreement, Jan. 7, 1952.
Turkey	11,700	310	Do. NATO, August 24, 1949.
Thailand	8,500	231	Mutual Security Agreement, Dec. 29, 1951. SEATO, Feb. 19, 1955.
Jordan	530	209	None.
Philippines	11,400	284	Mutual Security Agreement, Jan. 7, 1952.
Indonesia	7,700	61	None.
Ethiopia	1,750	65	Mutual Defense Assistance Agreement, May, 22 1953.
Spain	$42,530	$1,243	Mutual Defense Assistance Agreement, Sept. 26, 1953.
Cambodia	717	99	Military Assistance Agreement, Aug. 20, 1970.

Mr. BEALL. Mr. President, even though these nations are incredibly poor, they still have vital defense needs and the United States has determined that their security and stability is in the best interest of our own Nation. It is important to note that we have treaty commitments with most of the Governments covered by these provisions, and the vitality and effectiveness of these treaty arrangements could well be adversely affected by the retention of section 2106, in its present form.

Let us look briefly at some of the adverse effects that might result from the enactment of section 2106 on our relations with these nations as well as the impact it could have on their ability to meet their military responsibilities.

First. The 10-percent deposit requirement was first enacted only 1 year ago. To increase it one and one-half times would certainly be viewed as a punitive measure designed to bring about the early termination of these programs.

Second. Congress established the military assistance program because of our desire to assist friendly nations in maintaining an adequate defense establishment in spite of the fact that their local economies may be too poor to afford it without outside assistance. A seemingly minor change, such as this, could seriously undermine the purposes for which grant, surplus material, and training programs were established by sharply reducing their effective value while, at the same time, injecting an irritant into our relations with the recipient countries.

Third. The military assistance program is an integral part of our efforts to implement the Nixon doctrine. The objectives of the Nixon doctrine are to encourage and assist other countries to assume greater responsibility for their own defense. As the nations who receive this assistance are able to assume a greater burden for their own defense, they are correspondingly less dependent upon the presence of American forces, American overseas bases, American naval and air power, and so forth. Any savings we might realize from reduced purchases of foreign currency can be offset many times over if we have to slow down or stop the gradual reduction of America's overseas military presence.

Fourth. By requiring the recipient nation to deposit a substantial amount of its local currency in a special account for use by the U.S. Government, we must assume that these funds will be diverted from existing military programs, thus delaying the goal of military self-sufficiency and further prolonging their reliance

upon an American presence. Thus, we would, in effect, be "robbing Peter to pay Paul."

Fifth. Since most nations have a fairly complex procedure for establishing their national budgets, we must not be unmindful of the budgetary and financial problems we would create by enacting the procedure contained in S. 2106. While a foreign nation may well budget funds for the purchase of surplus military equipment, it has not, in the past, had the budget funds to make itself eligible for military aid and/or training programs. After a military aid program has been negotiated, or a training program agreed upon, the deposit funds have to be authorized, appropriated, and deposited in a special account for the U.S. Government prior to the implementation of the agreements. This not only makes the programs cumbersome and less readily implemented, but also desirable and many nations may choose not to participate in them at all. After just 1 year in operation, the 10-percent requirement on grant programs has already served as a significant irritant vis-a-vis our relations with the recipient countries. Many governmental and military leaders view this requirement as being economically and politically offensive to their nations and I am inclined to believe that increasing these deposits may prove to be increasingly counterproductive. As a result of the current 10-percent requirement on training, Brazil and Mexico have suspended participation in the MAP training program. Paraguay refused to accept /500,000 in fiscal year 1973 training funds because of the deposit requirement. Enrollment has dropped by approximately one-third in the School of the Americas, which is located in the Panama Canal Zone, and serves as a principal military training site for Latin American army officers. Plans to extend the MAP training program to include African military officers was cancelled because of various countries such as the Ivory Coast, Niger, Upper Volta, and so forth, simply could not afford to participate. If we view the continued existence of our military assistance program, and especially the training of foreign military officers which takes place under its authority, as important then we should move with care before enacting restrictions such as section 2106. If we are not careful, we may find that we will have no military assistance program, no MAP training program, and no foreign currency deposits to finance the activities of our embassies, and so forth.

Sixth. Our MAP training programs are crucial to the continued success of our military and economic policies abroad. As foreign military officers are trained by the United States, we find a corresponding increase in our influence in their nations. If these programs are terminated or drastically reduced because of this deposit requirement, our influence among the military establishments in many friendly nations will decline. It is important for us to also remember that such a development would have an adverse effect on our Nation's balance-of-payments problem. If the air force pilots of a foreign nation are trained in the United States, they will probably return home and advise their governments to purchase American aircraft. With these aircraft go extensive ground support equipment, spare parts, and a continuing input of American influence. If the French or British or Russians train them to fly their aircraft, they are likely to return home and recommend the purchase of British or French or Russian aircraft, ground support equipment, spare parts, and so forth.

Seventh. It is also important for us to keep in mind the fact that military officers trained in the United States are likely to have a greater appreciation for our way of life and the basic principles involved in our Constitution. Many articles have been written in recent years about the new breed of military officers in Latin America and other parts of the world. These officers represent a distinct departure from the views held by their predecessors in earlier generations. I would like to think that our military assistance program has helped to increase their awareness of their social responsibilities, the desirability of long-range, broad-based socioeconomic development, and so forth. If my assumption is correct, this would appear to be an inopportune time for us to dramatically change the course we have pursued in recent years.

Eighth. Those nations that are most important to us at the present time are naturally the recipients of the largest military assistance programs. Nations such as Korea, Cambodia, Thailand, Turkey, and Jordan receive vast amounts of American military aid, surplus equipment, and military training. These nations are also very poor and in some cases they are the victims of continuing military activity. I would strongly question whether it is realistic or reasonable for us to expect war-torn Cambodia, guerrilla-threatened Thailand, dismembered Jordan, divided Korea, or economically depressed Turkey to pay 25 percent of the cost of military aid and surplus equipment for 15 percent of the training programs designed to improve the quality of their military personnel. This would undoubtedly be a burden far too great for their economies to bear and our efforts to impose such a requirement would only adversely complicate our relations with each.

Ninth. In recent years, the Department of State has sought to move nations away from the direct military grant program. I am pleased to note that fiscal year 1974 would see Greece and Taiwan transferred from the aid program to the sales program. It would seem to me that the imposition of local currency deposit requirements would only serve to unduly strain weak economies and delay rather than enhance the chances that a recipient nation would reach the point in economic development where they no longer need to receive American military assistance.

Tenth. In some of the nations that would be affected, the anticipated deposit in local currencies would substantially exceed the anticipated needs of our Nation. I need not remind my colleagues that the United States has a tremendous surplus on Indian rupees which cannot be converted into gold or dollars and cannot be effectively used by us in India at the present time. I would question whether the accumulation of surplus foreign currencies would be beneficial to the economy of the United States or to the economy of the nation involved. Mr. President, I ask unanimous consent that some data I have compiled regarding this matter be printed in the RECORD at this point.

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

Country	Fiscal year 1974 grant MAP (S. 1443)	Anticipated 25 percent deposit	Estimated fiscal year 1974 local currency purchases
Turkey	$49,000,000	$12,250,000	$8,715,000
Jordan	30,000,000	7,500,000	2,365,000
Indonesia	13,000,000	3,250,000	(1)

[1] None.

Mr. BEALL. In conclusion, Mr. President, I am concerned that the changes proposed by the Senate Foreign Relations Committee may have a profound effect upon the functioning of our military assistance program. It may be desirable to dramatically overhaul this program, but I believe that such a fundamental change of direction should take place after a thorough study and careful consideration by the Congress, not inadvertently as the result of a seemingly innocuous provision contained in S. 1443.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. I yield myself 5 minutes.

Mr. President, as the Senator from Maryland has said, this amendment would strike from the bill an important provision designed to implement true burden sharing by beneficiaries of foreign military aid, which, I had been led to believe, is the basic thesis of the Nixon doctrine.

The provision in the bill that is involved here is very simple. It merely says that a country to which we give military grant aid must pay, in its own currency, for 25 percent of the amount of the grant and 15 percent in the case of training assistance. This requirement has two basic objectives—first, to make the recipient country think more carefully of its overall national priorities before asking for U.S. military aid, and second, to help alleviate our critical balance of payments and general fiscal situation by reducing overseas dollar spending.

Under the present system, military grant aid costs the foreign country nothing. Thus, foreign military men are encouraged to ask for all the weapons they can get whether or not the arms are actually needed for legitimate defense purposes. The present policy encourages conspicuous consumption, a "can you top this?" outlook by foreign generals and admirals, with their regional prestige in arms obtained at the expense of the American taxpayer.

By requiring a modest 25-percent payment, which will be available for official U.S. purposes within the country, the provision in the bill will help insure that requests by foreign countries for military aid must be treated like any other claim on the country's budget resources. If military aid must be weighed in balance with other national priorities, perhaps the appetites of the foreign military leaders may be curbed by other competing budgetary claims.

This partial payment requirement will result in significant savings to the taxpayer. In the last fiscal year the United States spent $6.7 billion overseas. In the coming fiscal year it is estimated that $417 million will be spent in dollars for local currencies in countries which are major recipients of military aid.

Mr. President, I ask unanimous consent to have a table printed in the RECORD.

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

U.S. LOCAL CURRENCY PURCHASES IN MAP COUNTRIES

[In millions of dollars]

	For fiscal year 1972	Estimates for fiscal year 1974
Africa: Ethiopia	13.304	13.021
Latin America:		
Bolivia	9.645	9.416
Chile	.616	.668
Dominican Republic	13.008	7.167
Ecuador	3.222	3.482
Guatemala	6.667	7.271
Paraguay	1.337	1.906
Uruguay	1.159	.493
East Asia and Pacific:		
China	14.762	16.238
Korea	79.275	87.202
Indonesia	.517	None
Philippines	87.353	96.083
Thailand	89.190	98.100
Near East/South Asia:		
Jordan	2.150	2.365
Turkey	5.558	8.715
Europe: Spain	59.710	65.680
Total	387.743	417.807

[1] U.S. dollars are used to purchase goods and services in Panama and Liberia. No local currency purchases are made in these countries.

Mr. FULBRIGHT. That expense can be reduced by about $55 million by the partial payment requirement in this bill. Surely, at a time when the President is urging Congress to hold the line on spending, this is a modest and desirable step.

Mr. President, this provision is not something the committee dreamed up out of the blue. Three years ago the committee initiated, and the Senate approved, a requirement that aid recipients pay 50 percent of the military grants we gave them—also in their own currency. That requirement was lost in conference. In 1971 the committee approved a provision requiring a 25 percent foreign currency payment. The Senate approved that provision. On the urging of the administration the House conferees insisted on reducing this to 10 percent, which is the legal requirement now in effect. Last year the committee tried to increase the payment to 25 percent but did not succeed. S. 1443, as introduced, required a 50 percent payment. Now the bill, as approved by the committee, requires only a 25 percent payment, one half the amount approved by the Senate 3 years ago—when our fiscal situation was far more favorable.

The pending amendment would have the Senate reverse a consistent record where this body has said that countries that receive military grant aid should help pay for our expenses within their country. If the Nixon doctrine means true burden sharing, as Congress and the public have been led to believe, this amendment should certainly be rejected.

Mr. President, I am prepared to yield back the remainder of my time if the Senator from Maryland is going to have a vote.

Mr. BEALL. I yield back the remainder of my time.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. 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 assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CLARK), and the Senator from Delaware (Mr. BIDEN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) is necessarily absent.

The result was announced—yeas 47, nays 47, as follows:

[No. 229 Leg.]

YEAS—47

Aiken	Fannin	Pearson
Baker	Fong	Percy
Bartlett	Goldwater	Roth
Beall	Griffin	Saxbe
Bellmon	Gurney	Schweiker
Brock	Hansen	Scott, Pa.
Brooke	Hatfield	Scott, Va.
Buckley	Helms	Sparkman
Cannon	Hruska	Stafford
Cook	Jackson	Stevens
Cotton	Javits	Taft
Curtis	Johnston	Thurmond
Dole	Mathias	Tower
Domenici	McClure	Weicker
Dominick	McGee	Young
Eastland	Packwood	

NAYS—47

Abourezk	Hart	Metcalf
Allen	Hartke	Mondale
Bayh	Haskell	Montoya
Bentsen	Hathaway	Moss
Bible	Hollings	Muskie
Burdick	Huddleston	Nelson
Byrd, Harry F., Jr.	Hughes	Nunn
	Humphrey	Pastore
Byrd, Robert C.	Inouye	Pell
Case	Kennedy	Proxmire
Chiles	Long	Randolph
Church	Magnuson	Ribicoff
Cranston	Mansfield	Stevenson
Eagleton	McClellan	Symington
Ervin	McGovern	Talmadge
Fulbright	McIntyre	Tunney

NOT VOTING—6

Bennett	Clark	Stennis
Biden	Gravel	Williams

So Mr. BEALL's amendment (No. 271) was rejected.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 26, 1973, he presented to the President of the United States the enrolled bill (S. 1994) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7447) making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes.

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

DEFENSE ARTICLES FURNISHED TO FOREIGN COUNTRIES

The Senate continued with the consideration of the bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organizations.

Mr. SCOTT of Pennsylvania. Mr. President, I send to the desk an amendment on behalf of myself and the Senator from Wyoming (Mr. MCGEE) and ask that it be stated.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. SCOTT of Pennsylvania. 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 19, beginning on line 18, strike out "From July 1, 1973, through June 30, 1977 the" and insert in lieu thereof "The".

On page 20, strike out line 7 and all that follows through and including line 13.

Beginning on page 27, strike out line 18 and all that follows through and including line 5 on page 28.

On page 28, beginning on line 11, strike out "After June 30, 1974, no such training shall be conducted outside the United States except by specific authorization of law.".

Beginning on page 30, strike out line 3 and all that follows through and including line 15 on page 31.

On page 49, strike out line 3.

The PRESIDING OFFICER. May the Chair inquire whether this is the amendment on which the Senator has a limitation of 1 hour?

Mr. SCOTT of Pennsylvania. Yes, this is the amendment on which there is an agreed time limitation of 30 minutes to a side and 20 minutes on any amendment thereto.

I yield myself 6 minutes.

Mr. President, I do not believe the Senate can or should now attempt to foresee the precise time when the President can safely terminate all military grant assistance.

Section 2101 of S. 1443 proposes to authorize the President to furnish military grant assistance from July 1, 1973, through June 30, 1977.

Section 2102 of S. 1443 provides that the President shall gradually reduce military grant assistance so that no such assistance shall be provided after June 30, 1977.

Section 2110 of S. 1443 states that the authority of the President to provide military grant assistance and gradually to reduce such assistance during the period from July 1, 1973, through June 30, 1977, are repealed on July 1, 1977.

Section 2301 of S. 1443 authorizes the President to furnish military training to any foreign country or international organization, but specifies that no such training shall be conducted outside the United States after June 30, 1974, except by specific authorization of law.

I perceive major disadvantages in these sections by placing an unnecessary restrictive time limit on the duration of the President's authority to furnish military grant assistance and training to selected friendly and allied nations. To place a time limit on the President's authority would, in effect, announce to the world that, as of the given date, the President would not be able to exercise a power which has served so well the creation and maintenance of a more orderly world. This would result in the Chief Executive of the greatest Nation in the world being denied the authority to exercise influence or control of situations which threaten to become crises or other serious challenges to international security. Without any authority, the President would be unnecessarily constrained in reacting constructively or in pursuing a meaningful dialog to control difficult situations as they develop.

I submit that the President needs general authority to furnish military grant assistance to friendly and allied foreign countries. To attempt to predict now that such authority will not be required on the morning of July 1, 1977, would be vain indulgence for this Senate. There is no evidence to indicate that it may not be in our national interest to supply this assistance after this date.

Without the impetus of S. 1443, the President has in fact set a goal of gradually reducing military grant assistance. This reduction is inherent in the Nixon doctrine of foreign nations' making more and more contribution to their own defense. I maintain that he should be allowed to continue in these efforts without the imposition of arbitrary deadlines such as we are being asked to impose on him. This is not an abrogation of congressional responsibility. It is the sensible exercise of this responsibility in the best interests of our country.

Mr. President, what the bill would do without this amendment would be to simply say to the next President that a few months after he takes office he will have been deprived by the Congress of any right to exercise any further policy whatsoever in this area, and this I do not think the Senate should remove from any President. And this is from a future President.

Moreover, I point out that had this same kind of restriction applied during the time of the Marshall doctrine on aid to Greece and Turkey, which proved so successful in stabilizing an uncertain and turbulent world, the Marshall doctrine could not have succeeded in the way it did.

Had we put a time limitation on the Marshall doctrine without a willingness to extend it for such time as it needed to be extended, the beneficial aspects of American foreign policy, one of the most notably successful efforts we have made in this century, would have been rendered a nugatory effort.

Therefore, I hope that we will not in a form as reckless as this, as unseeming as this, and as unwise as this, cause any arbitrary limitation of this kind, which are not in the best interests of our ongoing foreign interests of the country, deprive the administrator of foreign policy of any hope of extending the goodwill of the United States through these programs for any length of time, even less than the time limited here, because it will be known that it is subject to an arbitrary cutoff.

I urge that the amendment be agreed to, and I yield back whatever time remains at this time.

Mr. FULBRIGHT. Is the Senator yielding back his time?

Mr. SCOTT of Pennsylvania. Mr. President, I simply yield back the remainder of the time I had yielded myself.

I now yield 10 minutes to the distinguished Senator from New York (Mr. BUCKLEY).

Mr. BUCKLEY. Mr. President, I believe that the distinguished Senator from Pennsylvania has made such a fine case that I will certainly not need 10 minutes in which to go over much of the same ground.

The bill as it now stands would merely degut the Nixon doctrine. When that doctrine was first enunciated at Guam, it represented the most imaginative proposal for a way in which the United States could continue to participate in viable regional security compacts based on a realistic assessment of the capacity and willingness of the American public to be involved in foreign military campaigns.

We must recognize that in an area such as Southeast Asia, as a result of our prior willingness to assume regional responsibilities, we have purchased a period of relative tranquility in many countries such as Thailand, Indonesia, and others in which they made enormous progress in their economic capability and political stability.

Therefore, at the time the President enunciated this policy, it was based on a realistic estimate of our less developed allies' abilities to assume increasing responsibilities for their own defense. It assumed that America could begin a period of providing our allies with more sophisticated weapons of war and providing them with the training which would enable them to assume increasing shares of the responsibility for regional security, thereby reducing the likelihood of future involvement of American ground forces in local conflicts.

We have seen dramatically what Vietnamization has accomplished in Vietnam. We have seen the capacity for military sophistication that has been demonstrated by the Republic of China in Taiwan, South Korea, and elsewhere.

That policy when it was first enunciated raised enormous concern among our allies, not only in Asia, but also elsewhere in the world because many believed that it signaled a growing isolationism on the part of the United States, that the Nixon doctrine was sort of a code word for a withdrawal from world responsibilities.

I suggest, Mr. President, that if the Scott amendment is not adopted, it will mean that the worst fears of those who must necessarily rely on American determination in foreign affairs will have been justified. It will shake to the roots the security arrangement we have had in Europe, the Pacific, and elsewhere, arrangements that have undergirded our strategy for underwriting world peace. If this bill is not amended, it will be a significant step backward from world leadership that could trigger a serious reevaluation by allies around the globe as to their ability to continue to depend on the United States, a reevaluation as to whether they should be seeking accommodations with other powers.

I believe that the attempt to phase out these military assistance programs over an arbitrary period or time is to demonstrate a total unawareness of how the world operates.

We know that other countries, the Soviet Union and mainland China, continue to provide hardware and training to various groups around the world. We know that these various groups continue in their capacity for troublemaking. If we declare, in effect, that we will no longer provide our friends with the military equipment and training they need to protect them, we will be turning our back on our responsibilities, and underlining the allowances we ourselves had constructed. The consequences could be disastrous.

I suggest that if Senators will only study the world realities as they are, they cannot help supporting the Scott amendment.

Mr. President, I yield back the remainder of my time to the Senator from Pennsylvania.

Mr. SCOTT of Pennsylvania. Mr. President, I thank the Senator from New York.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

First, may I say that I think it is rather strange that the Senator from Pennsylvania had to go back 20 years to find an analogy, the Marshall plan.

We all admit that under the circumstances of that day the program was an effective one. It was the reason why we were misled into thinking that we could do something similar in the underdeveloped countries.

The Marshall program was a limited program. It did not go beyond 5 years. It was intended to be limited. It was not proposed at that time that we enter upon a permanent program of aid to foreign countries.

This amendment would strike the provision in the bill which phases out the military grant aid program over a period of 4 years. I point out that the bill as introduced would have phased out the program in 2 years. Even that is too long in my opinion. However, the committee voted to lengthen the phaseout period to 4 years. The pending amendment says, in effect, that American taxpayers should continue indefinitely shelling out hundreds of millions of dollars each year to give unnecessary arms to countries where our own security interests are not remotely involved.

By the end of this month, U.S. taxpayers will have provided $180 billion in assistance to foreign countries since the end of World War I, $80 billion of that in military and related aid. The flow of military aid will continue unless Congress acts to make the nations of the world look to their own resources—not to the United States—for the setting of their defense priorities.

Executive branch officials have for years stated that the administration's objective was to phase out military grant aid. That is all this phases out, military grant aid and the MAAG missions. Indeed, Deputy Secretary of State Rush told the committee that an objective of the administration's bill was—

> To phase out grant military assistance as rapidly as possible.

Another State Department official told the committee this year that—

> The administration has regularly endorsed the concept of moving from grant military assistance to credit sales and then to cash sales.

But the administration refuses to set a timetable or accept any phaseout proposed by Congress.

Prof. Thomas Schelling, in testimony before the Committee on this bill said:

> The Congress is often in a very strong position to make aid termination look less discriminatory. The Congress can often take steps that are recognized by recipient countries as applying rather more universally than the bilateral diplomatic negotiations that the countries have with the Executive Branch. Countries can always hope to importune the Executive Branch to continue something . . . and for the Executive Branch to refuse is very often construed by the country as lack of appreciation by the Executive Branch.

Professor Schelling was saying, in effect, that the Executive branch cannot be counted on to terminate the military aid program, that only Congress is in a position to do it. And that is what the pending bill would do.

In his second inaugural address the President said—

> Let us encourage individuals at home and nations abroad to do more for themselves.

That, I understand, is the basic thesis of the Nixon doctrine. And that is what the grant phaseout seeks to do.

A 4-year phaseout is certainly not precipitate, each recipient has ample time to adjust his military priorities accordingly. If in this period a special situation should develop where the President believes that continued grant aid is in our interest, he can make the case to Congress and, if Congress chooses, it can do so.

In effect, what the provision on phaseout amounts to is to say that during these 4 years and in the future, they have to make a case for it; they have to come in and justify it, it is not going to come along automatically.

Obviously, we cannot bind next year's Congress, or next fall's Congress, if Congress wishes to do it; but we are establishing an objective, the same objective that was stated by the Secretary of State, which is a gradual phaseout. All we are doing is giving ourselves this 4-year period, which can be changed if a case can be made to Congress to change it.

In a sense, it is like shifting the burden of proof to the administration to make its case, whereas the way it operates now is that we have to make the case to show that the proposal of the administration is not sound. I submit that the better and more provident approach is to let the administration make the case, if they have one, for grant aid.

I emphasize again that this does not phase out everything. It does not phase out the lending program. It phases out only the grant aid programs and the MAAG missions.

With respect to the MAAG groups and missions, this amendment would strike the provision which phases out military missions and groups over a 4-year period, the same as the phaseout of grant aid. After 4 years any U.S. military mission in a foreign country must be specifically authorized by Congress and the foreign country agree to pay the entire operating costs involved.

For a number of years the committee has tried to bring about significant reductions in the size and number of these military missions. Yet, as of December 31, there were still U.S. military missions in 46 countries around the world, manned by 2,849 military and civilian personnel. This fiscal year the direct costs of these missions will total over $68 million, only $15 million of which is charged to the military aid program. The remainder comes out of the defense budget.

Can any Senator justify maintaining a military advisory mission in France, Germany, Denmark, or Italy, for example, where grant aid programs ended many years ago, or in Costa Rica which does not have an army? Or justify having 27 generals attached to these 46 missions, including one each for India and Pakistan, countries to which the United States supposedly does not give or sell arms? I ask unanimous consent that two pertinent tables be printed in the RECORD at the end of my remarks.

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

(See exhibits 1 and 2.)

Mr. FULBRIGHT. Mr. President, military missions involve themselves deeply in the most sensitive internal affairs of the foreign countries where they are stationed, the security and national priority decisions of their foreign hosts. The State Department position paper on the amendment before the Senate states that—

> MAAG personnel are not concerned only with grant assistance; they advise and assist in planning realistic force goals and in selecting military equipment—and in so doing promote the sale and use of U.S. military equipment . . .

Do Senators believe that our military men should be planning military force levels for a foreign country or pushing certain kinds of military equipment?

It is just this type of role that the Foreign Relations Committee seeks to terminate by phasing out these missions. Foreign nations should make their own military spending decisions in the light of their own resources, not on the advice of American military men. And representatives of the American arms industry should sell their own wares, not look to U.S. military men to do it for them as the situation is today.

I remind my colleagues of the late President Eisenhower's warning of the military-industrial complex. There is no better example of the complex in operation than the foreign military sales program. We are reaping some of the results of not having paid heed to his very wise comments. Our Government should take an arms-length position in arms sales to foreign countries with the sole consideration being whether or not granting an export license would further our foreign policy and our overall interests.

The committee believes that the remaining essential functions of military missions could be absorbed by our defense attachés and, for that reason, allowed a 25-percent increase in the number of attachés assigned to a country.

One further point. There exists on the statute books section 712 of title 10 of the United States Code, which reads in part as follows:

> Upon the application of the country concerned, the President, whenever he considers it in the public interest, may detail members of the Army, Navy, Air Force and Marine Corps to assist in military matters—
>
> (1) any republic in North America, Central America, or South America;
>
> (2) the Republic of Cuba, Haiti, or Santo Domingo; and
>
> (3) During a war or a declared national emergency, any other country that he considers advisable to assist in the interest of national defense.

In plain English, this gives the President the authority to assign military men to any country he chooses around the

world to assist that country "in military matters." This broad grant of authority would be repealed by S. 1443 but the pending amendment would allow it to remain on the books. I do not think the Senate would want to be on record as reaffirming such powers to the President; authority to send our men off to, in effect, serve in the armed forces of nations around the world. To do so would be a complete reversal of the Senate's efforts in recent years to curtail some of the vast discretionary powers that Congress has, in the past, given to the President.

Mr. President, this is similar to the other proposal in the sense that if there is an emergency that arises, if there is a change in the present climate, or for any reason at all, Congress can extend it or enlarge it if it likes. But in view of the recent developments, with the President's negotiations with Russia and with China and his so-called Nixon doctrine, it seems to me that it is quite inconsistent to continue a program that has its roots back in the days of the worst period of the cold war, when the Marshall plan, a successful program at that time, was initiated.

I do hope that the Senate will cooperate with the committee on this amendment. I urge that the amendment be rejected.

EXHIBIT 1

MAAG/MISSION/MILGP DATA

Country organization	Personnel on-board, Dec. 31, 1972					MAAG costs (including pay and allowance) (in thousands)			
						Fiscal year 1973 (estimate)		Fiscal year 1974 (estimate)	
	Officers	Enlisted	U.S. civilians	Local civilians	Total	MAP	Military department	MAP	Military department
Argentina, MILGP	19	9	1	7	36		$845.0		$910.0
Austria, DAO Aug	1	1			2		50.2		55.2
Belgium/Luxembourg, MAAG	5	1	1	6	13	$171.7	189.2	$171.0	189.2
Bolivia, MILGP	17	10	2	8	37		802.0		835.0
Brazil, MILGP	27	15	6	25	73		1,474.0		1,970.0
Cambodia MEDT	48	29			77	1,101.5	1,464.6	934.9	1,430.1
Chile, MILGP	12	3		4	19		477.0		511.0
Colombia, MILGP	15	6	1	6	28		662.0		615.0
Costa Rica, MILGP	2	2		1	5		93.0		96.0
Denmark, MAAG	6	1	1	6	14	133.6	239.9	124.7	241.0
Dominican Republic, MAAG	10	4	0	3	17	153.7	212.3	147.8	212.3
El Salvador, MILGP	9	1	0	3	13		256.0		256.0
Ethiopia, MAAG	44	43	4	34	125	1,101.6	2,127.7	1,042.4	2,067.2
France, MAAG	4	3	1	7	15	153.3	202.2	175.7	219.0
Germany, MAAG	18	5	7	9	39	598.2	866.3	634.4	764.6
Greece, JUSMAG	34	20	8	37	99	720.9	1,440.2	772.8	1,390.6
Guatemala, MILGP	16	7	0	4	27		576.0		637.0
Honduras, MILGP	6	4	0	3	13		273.0		291.0
India, ODR	4	2	1	7	14	150.0	176.2	193.5	171.9
Indonesia, DLG	21	21	2	20	64	1,113.4	849.3	790.8	849.3
Iran, ARMISH–MAAG	114	58	15	39	226	932.9	8,350.2	1,003.2	1,124.8
Italy, MAAG	7	4	2	3	16	248.6	384.3	247.8	318.7
Japan, MDAO	7	0	5	6	18	168.2	279.7	283.6	165.4
Jordan, DAO Aug	3	2	0	3	8	105.1	74.0	57.7	74.0
Korea, JUSMAG	204	202	55	132	593	3,360.7	9,284.1	3,008.5	7,118.2
Liberia, LIBMISH	12	6	0	5	23	323.4	387.2	517.6	378.8
Morocco, MUSLO	10	11	3	6	30	219.5	640.9	341.6	670.4
Netherlands, MAAG	6	2	0	5	13	99.2	194.4	117.0	190.3
Nicaragua, MILGP	7	6	0	2	15		317.0		412.0
Nigeria, DAO Aug	1	0	1	1	3	39.6	24.2	35.9	17.1
Norway, MAAG	5	1	1	5	12	112.5	196.5	110.6	187.9
Pakistan, ODR	4	3	0	6	13	219.0	159.3	127.3	159.3
Panama, MILGP	5	3	1	1	10		240.0		266.0
Paraguay, MILGP	10	5	0	3	18		515.0		479.0
Peru, MAAG	3	3	0	3	9	73.3	315.0	78.3	315.0
Philippines, MAAG	36	13	8	6	63	368.8	979.8	369.8	964.6
Portugal, MAAG	8	3	3	7	21	168.0	289.2	166.6	289.2
Saudi Arabia, USMTM	67	50	0	6	123	268.7	2,635.6	282.2	3,123.7
Spain, JUSMG–MAAG	30	8	15	19	72	265.6	731.1	265.4	774.6
Taiwan, MAAG	94	63	24	26	207	719.6	3,536.7	722.3	3,210.8
Thailand, JUSMAG	150	108	2	1	261	1,014.4	4,471.5	1,014.4	4,003.1
Tunisia, USLOT	8	6	0	3	17	211.6	352.8	193.7	343.8
Turkey, JUSMMAT	90	52	27	86	255	1,096.0	3,565.5	1,197.1	3,554.3
Uruguay, MILGP	9	3	0	5	17		389.0		326.0
Venezuela, MILGP	26	9	1	3	39		899.0		949.0
Zaire	11	20	0	6	37	708.5	723.0	682.6	803.4
Total	1,245	828	198	578	2,849	14,924.0	53,210.1	15,801.2	50,030.6

EXHIBIT 2

MAAG'S/MISSIONS/MILGROUPS

OFFICER AUTHORIZATION, FISCAL YEAR 1973

	Major general 08	Brigadier general 07	Colonel 06	Lieutenant colonel 05	Major 04	Captain 03	1st Lieutenant 02	Warrant officer WO	Total
Argentina		1	3	13	1		1		19
Austria[1]					1				1
Belgium/Luxembourg			3	2	1				6
Bolivia			3	7	8				18
Brazil	1	2	6	14	2	1			26
Cambodia		1	5	12	21	5	1		45
Chile			3	6	2				11
Colombia			3	3	11	1			18
Costa Rica				1	1				2
Denmark			3	3					6
Dominican Republic			1	4	5				10
El Salvador			1	7					8
Ethiopia		1	4	15	20	2		1	43
France			3	1					4
Germany	1		3	13	3				20
Greece	1		6	17	9	3			36
Guatemala			2	4	9			1	16
Honduras			1	2	3				6
India		1	1	2			1		5
Indonesia			2	4	16	1			23

	Major general 08	Brigadier general 07	Colonel 06	Lieutenant colonel 05	Major 04	Captain 03	1st Lieutenant 02	Warrant officer WO	Total
Iran	1	2	19	62	36	9		7	6
Italy	1		3	3	1				138
Japan			1	6					7
Jordan[1]				1	4				5
Korea	2	1	24	69	77	18	1	18	0
Liberia			1	3	5			2	211
Morocco			1	2	6				19
Netherlands			3	3					6
Nicaragua			1	2	4				7
Nigeria[1]					1				1
Norway			3	2					5
Pakistan		1	1	2		1			5
Panama			1	4	1				6
Paraguay			1	6	3	1			11
Peru			1	2					3
Philippines		1	6	15	12		1	1	36
Portugal	1		3	2	2				8
Saudi Arabia		1	4	18	30	6	1	6	66
Spain	1		6	14	7	2			30
Taiwan	1		10	36	41	6		8	102
Thailand	1		11	34	73	23		3	145
Tunisia			1	2	4	1			8
Turkey	2	2	10	45	24	5	1	4	93
Uruguay			1	5	3				9
Venezuela			4	16	5	2			27
Zaire			1	2	6	1			10
Total	13	14	170	486	458	88	7	51	1,387

[1] Defense Attaché Office security assistance augmentees.

Mr. SCOTT of Pennsylvania. Mr. President, at this point I demand the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. SCOTT of Pennsylvania. I yield the distinguished Senator from Wyoming such time as he may require.

Mr. McGEE. Mr. President, may I ask what we are talking about here?

The PRESIDING OFFICER. There is 1 hour on the amendment, of which the Senator from Pennsylvania has 18 minutes remaining, and the Senator from Arkansas has 21 minutes remaining.

Mr. McGEE. I thank the Chair for that report. I do not intend to use anything like that amount of time. I intend to speak quickly and to the point on this pending matter, by reminding us that we are all interested in winding down military assistance, and in cutting back military installations everywhere. We should not, however, undertake it on a panic basis by doing it all at once and overnight. If we were to do that, we would do it at the peril of weakening the whole structure of the world that we have already contributed so much to shoring up, and expanding in its areas of control, stability, and orderly change.

It is understandable that we get impatient even with ourselves, I suspect, because this has been a long, long road since the end of World War II. But need we remind each other than in that long span, with the great gains that have been made toward a more peaceful world, we now have 132 nations in the U.N., we have another dozen roaming around somewhere on the globe, and each of them, in turn, represents marginal security problems or uncertainties?

Yet they look for leadership. They repair to the standards of those who are interested in trying to stabilize affairs around the globe. Some repair around the Soviets, some around the Government of the United States, and others around new and emerging independent governments.

The heavy dependence psychologically on where the United States is going to stand in the real world tomorrow would be difficult to exaggerate. And what that means is that there is an abiding fear, a lurking suspicion, that the people of the United States and the Government of the United States have "had it," and that they are going to pull back from the world, they are going to erect "Fortress America" and "go it alone."

We have been through that in our history before, in the lifetimes of most of the Members of this body.

What I am suggesting, Mr. President, is that we should have a cool, cold look at how to proceed, hopefully, into a better world. Should we do it by pretending all is well now and there will be no new problems, or should we be realistic and make this adjustment on a quid pro quo basis with the other great nations of the world and, thereby, remind all our friends around the world that we are not going to pull out, because someone in the Congress of the United States decided they could pick a magic date that had no bearing on what is transpiring in world politics.

I can remember in this body how glowing were the expectations when the Soviet leaders and the President of the United States met at Glassboro. We heard a great deal about the spirit of Glassboro, that this was a new day, this was a new age, and peace was at hand. They wanted to drop anything, anywhere they could spot American commitments, anywhere they could spot the presence of forces that had contributed to the chances for a new spirit. In the wake of that hopeful undertaking at Glassboro, we were all shocked into a new reality with the assault on Czechoslovakia. There were those who tried to pretend that that did not mean anything. They said to us again and again, "It is all different now."

Well, my friends, it is not all different now. There is a new atmosphere now. The President has been to Peking. The President has been to Moscow. Moscow has been to Washington. It is all hopeful and we are all praying that it will lead to the next step. But what has been agreed to is very tenuous indeed.

I submit that if we were now to advertise to the world we were cutting out of everything and pulling back from everything, it would actually worsen the situation rather than improve the chances for peace.

So, Mr. President, it is my decision that we not put a time certain, a timetable, on this kind of withdrawal. We can do that as we go along if the circumstances warrant it.

But who here in this body knows what the problems of the world will be 2, 3, or 4 years from now? Who could have guessed 1 year ago what the problems are now?

I am simply saying that we may think we are wise men, and we would like to be as wise as is mortally possible to be, but we are not that smart. There are forces at work in the world that defy prediction. There are calendars being drawn in the world, calendars of events of the future, that defy and confound all Republicans and Democrats—even Senators—and, therefore, we should be smarter than to spell out with this preciseness just how we will quit the world.

This, I would suggest, Mr. President, because we are here to stay in the world. It is a rough and rugged and often cruel world climate, but we have no other place to go. We are not going to go into Skylab. We have no other planet that we can hide out on. We have got to make it here, if we are going to make it at all. We have come a long way since we were thrust into the new and frightening role of world leadership by the events of World War II.

But, let us not blow it now. The price we have already paid for where we are today should haunt us every night. But we do have the chance now to resolve our

uncertainties in an orderly fashion, without precipitate action by decree through the rhetoric of those of us in the Senate.

We really ought to stay our impatience. We ought to restrain our impulsiveness to try to arrive at a cheaper, quicker formula for resolving our uncertainties and our insecurities.

I support this measure. I have joined as a cosponsor with the distinguished Senator from Pennsylvania (Mr. SCOTT), the minority leader. I think there is much more at stake than playing games with something as carefully interwoven as the mutual interdependency of all the peoples of the world. Those peoples still rest on sovereign governments; they still are for orderly change. They would have no chance if we permitted the fabric of that kind of change to become unraveled, because a present-day Senate of the United States decided to do so.

As S. 1443 now stands, its basic thrust is to terminate our military assistance and withdraw our military missions and advisory groups by July 1, 1977. The proposal to terminate both MAP and MAAG's overseas within a specified time period in accordance with a fixed schedule illustrates the approach to complex problems of foreign policy that is embodied in S. 1443.

I have no quarrel with the concept of ending military assistance. In fact, the executive branch of Government is now moving in this direction. Grant material assistance will be ended in fiscal year 1974 for China, Greece, and Liberia. The trend is in this direction in our other programs. However, I believe it is in our national interest that this be an orderly process and not a process which can be subjected to arbitrary deadlines such as we have been asked to impose in S. 1443.

The premise underlying these sections of S. 1443 is that assistance in the form of grant MAP and MAAG's to friendly countries overseas will not be necessary 4 years hence. This premise is based, no doubt, on the success achieved to date in moving toward a more relaxed world—and the promise that the era of negotiations, having arrived for us, will reach our friends and allies. The results of the past 4 years give reason to believe that this is not an exaggerated promise.

Let us consider some of the implications of deciding now to end military assistance on July 1, 1977. We are being asked to prophesy in June 1973 that the world will be so sufficiently stable in 1977 that we will not need this vital foreign policy tool. This is a prophesy I am not prepared to make. I realize that we can reverse ourselves if the situation warrants, but the very act of setting a deadline on military assistance now will be a signal to the world of an American withdrawal from our worldwide interests and responsibilities.

Many of the same considerations apply in the proposed withdrawals of our military missions and advisory groups. It is too early to decide that we will not need them after July 1, 1977. Even S. 1443 recognizes their importance by authorizing a 25-percent increase in our defense attaché staffs to handle their functions. This is a stopgap measure that will not work. First, because there is a basic incompatability between the functions of a military mission and a defense attaché. They perform different jobs in many countries which cannot be realistically combined. Second, our largest defense attaché offices are in developed countries which do not receive military assistance. The developing countries which do receive military assistance have much smaller defense attaché staffs and a 25-percent increase in these staffs could not begin to perform the functions of a military mission.

Finally, as we all know, it is one of the President's main objectives to help allies in the developing world to become self-sufficient for their defenses. An essential element to achieve this goal is the advice and assistance our military missions provide these countries. The missions are abroad at the request of host governments and to withdraw them on an arbitrary date will simply frustrate the enormous progress made to enable allies and friends to insure their security within their resources.

I think the arguments are conclusive against taking the severe steps we have been asked to in S. 1443 to end security assistance and withdraw our military missions in 1977. Since both Congress and the executive branch have the same objectives, let us allow the executive branch to follow its course toward these goals.

Mr. SCOTT of Pennsylvania. Mr. President, I congratulate the distinguished Senator from Wyoming for his very helpful and useful remarks concerning this amendment. I think it is unfortunate that there are some peoples that have no constituency, and have no hope of receiving foreign assistance simply because foreign assistance bills are without a constituency. It is easier to cut without cutting out something so that you can cut somewhere else.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SCOTT of Pennsylvania. Mr. President, I yield myself 1 additional minute.

Actually, the funds used in this assistance program are largely from American enterprise. They are job-creating funds. They are funds that provide employment for people, funds that help the economy of the United States.

I myself deplore the tendency to cut assistance or defense on what I regard as entirely specious reasoning that the money is being used for some other policy. The foreign policy of the United States ought not to be juggled like a yo-yo. It ought not to be something that is bounced up and down on an emotional basis. It ought to be based on a foreign policy underlying the importance of the United States in maintaining its commitments to its friends abroad.

Mr. FULBRIGHT. Mr. President, I yield myself 2 minutes.

When the Senator from Pennsylvania says that our foreign policy has no constituency, I think he overstates the case. It has an enormous constituency, a constituency which is not unlike the one that supported our defense program. In one breath, the Senator says our foreign assistance program has no constituency. Then he says it creates jobs and utilizes our factories, which it does.

This program has a very large, active constituency, because so much money is involved.

As the Senator has correctly stated, the Marshall plan, which I supported, and supported very strongly, was an appropriate program, was a successful one under these conditions. What I think the Senator overlooks is the change in conditions. He ignores the fact that his own President has had much to do with the change in those conditions. That is one of the reasons why this program is absolutely necessary under present conditions.

The ceremonies and activities only last week highlight and emphasize and make clear to everyone that there is a great change in the condition of the relations between our country and Russia. I think it is time that the Senate recognize those changed conditions. That is what this bill is seeking to do, and the phaseout is part of that movement to make this program consistent with present conditions, as they exist in the international scene.

Mr. President, Senator HUMPHREY is not here, and I do not suppose we should delay. I am perfectly willing to vote, if the Senator from Pennsylvania is.

I yield back the remainder of my time.

Mr. SCOTT of Pennsylvania. I have no requests for time. I yield back the balance of my time.

The PRESIDING OFFICER. All time on the amendemnt is yielded back.

The question is on agreeing to the amendment of the Senator from Pennsylvania. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CLARK), and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Alaska (Mr. GRAVEL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The result was announced—yeas 48, nays 44, as follows:

[No. 230 Leg.]

YEAS—48

Aiken	Domenici	Moss
Allen	Dominick	Packwood
Baker	Eastland	Pearson
Bartlett	Ervin	Percy
Beall	Fannin	Roth
Bellmon	Fong	Saxbe
Bentsen	Goldwater	Scott, Pa.
Brock	Griffin	Sparkman
Brooke	Gurney	Stafford
Buckley	Hansen	Stevens
Byrd, Harry F., Jr.	Helms	Taft
	Hruska	Thurmond
Cannon	Jackson	Tower
Cook	Javits	Weicker
Cotton	Johnston	Young
Curtis	McClure	
Dole	McGee	

NAYS—44

Abourezk	Hathaway	Montoya
Bayh	Hollings	Muskie
Bible	Huddleston	Nelson
Burdick	Hughes	Nunn
Byrd, Robert C.	Humphrey	Pastore
Case	Kennedy	Pell
Chiles	Long	Proxmire
Church	Magnuson	Randolph
Cranston	Mansfield	Ribicoff
Eagleton	Mathias	Schweiker
Fulbright	McClellan	Stevenson
Hart	McGovern	Symington
Hartke	McIntyre	Talmadge
Haskell	Metcalf	Tunney
Hatfield	Mondale	

NOT VOTING—8

Bennett	Gravel	Stennis
Biden	Inouye	Williams
Clark	Scott, Va.	

So the amendment of Mr. SCOTT of Pennsylvania was agreed to.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, having voted with the prevailing side on the question of agreeing to amendment No. 271 by the Senator from Maryland (Mr. BEALL), I now move that the Senate reconsider the vote by which the Senate failed to agree to that amendment.

Mr. SCOTT of Pennsylvania. Mr. President, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, is that motion debatable?

The PRESIDING OFFICER. It is debatable. Under the previous order there will be 15 minutes on each side, to be equally divided between the Senator from Alabama and the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I yield myself such time as I may require. I only wish to say I had hoped we could complete action on the bill tonight. I had told a number of my colleagues who asked me what I projected for the evening and I said I hoped we could finish the bill. We did have only two amendments at the desk which would require rollcall votes and two which could be accepted. I do not know how many more amendments will be offered, but, of course, it could run much later.

I think if we are not going to finish the bill tonight we run the risk of indefinite prolongation of the bill because there always will be continual amendments.

I hope that those Senators who have amendments or contemplate amendments will let us know if they are going to offer them so that we can make up our minds as to whether we can complete action on the bill this evening.

Mr. SCOTT of Pennsylvania. Mr. President, will the Senator from Alabama yield to me for 1 minute?

Mr. ALLEN. I yield.

Mr. SCOTT of Pennsylvania. I rise only to say that I agree with the distinguished chairman of the committee. I hope we can dispose of the matter tonight.

Mr. FULBRIGHT. I wonder if anyone can say if there are amendments to be offered. I am informed there are two amendments at the desk, including the amendment of the Senator from Alabama. I thought that when he rose he was going to offer that amendment.

Mr. McGEE. I have one amendment. It is a small amendment. It would not take 15 minutes, if we could agree on a time limit, so that I might explain it, but it might require a roll call vote, depending upon the disposition——

Mr. FULBRIGHT. Is it printed?

Mr. McGEE. No. I have not had a chance to file it. I hesitated to bring it up while things were so busy.

Mr. FULBRIGHT. They are the only amendments in addition to the one by the Senator from Alabama and by the Senator from Texas, which I anticipate would require rollcall votes, and I had told a number of Senators I thought we could finish up by a quarter of 7 or 7 o'clock. I might have to revise that if there are other amendments.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the majority leader, I think I would have to state that it is the plan of the leadership to finish the bill today if it is at all possible to do so at a reasonable hour. We are constrained to do this because of the very heavy workload that lies before the Senate after action on this bill is completed. There is the debt limit bill. There is the continuing resolution. There is the Renegotiation Act, which will expire on June 30. We have the agriculture appropriation bill, reported today. We will have the HUD appropriation bill reported within a couple of days. There are numerous other measures on the calendar.

In view of this fact, I think Senators might be wise to prepare to have a reasonably long day today in an effort to complete action on the bill.

We have two nominations that will require a little time, the Kelley and the Schlesinger nominations, which we hope to have confirmed certainly before the Senate completes its work prior to the July Fourth recess; and in order to complete our work this week and not have to come in Monday or Tuesday of next week, I think we had better plow ahead and try to complete action on the bill today.

Mr. FULBRIGHT. Mr. President, in view of this, I will take 2 minutes on the measure which the Senator from Alabama seeks to reconsider. It is the measure with regard to recipients of foreign grant aid having local currency used by the Government for our local expenses in the respective countries. It is a very simple matter. The bill simply tries to lessen the expenditure of American tax dollars in the respective countries to the extent of 25 percent of the grant. It is to pay our own expenses in that country. It has no effect upon the amounts that the country is given. The effect is that the recipients will be under some little bit of an incentive to restrict their requests for grants because they have to pay 25 percent, which we will then use for our expenditures within those countries.

It is estimated that this 25 percent would produce about $5 million equivalent. It would have our Government that much in local expenses within the recipient countries. That is all it is. I submit it as certainly a provident amendment. The provision in the bill increases the existing law from 10 percent to 25 percent. It is not a major amount of money, but it is several million dollars.

That is the only purpose of the committee bill. I might say that the committee itself reduced the amount which the original bill carried from 50 percent to 25 percent. I thought it would be a reasonable amount in view of the demands upon our own Treasury.

Mr. ALLEN. Mr. President, I yield 3 minutes to the Senator from Maryland (Mr. BEALL).

Mr. BEALL. Mr. President, as the distinguished chairman of the committee points out, the bill as presented to our body contains a provision that would require a 25-percent deposit in a recipient country. My amendment, as he pointed out, would keep the law as it is at the present time; that is, require those countries that are the recipients of this kind of assistance to deposit 10 percent of that amount in their local currency to defray the expenses our country incurs operating in those countries.

The 10-percent provision has been in effect only 1 year. The point of the amendment is to keep it at 10 percent so the provision does not become counterproductive. The purpose of this kind of assistance is, one, to fulfill treaty commitments we have made with such countries; second, to have them try to develop the ability to take care of themselves by providing assistance to them; third, to put them in a position where they can enter into foreign sales agreements with us.

If we raise that amount to 25 percent, it is going to have the effect of driving people out of the program altogether. So it seems to me it would be counterproductive in the long run. Instead of gaining friends, we would lose friends. Instead of trying to help people, we would be forcing them to go to other parts of the world to seek help. It seems to me it would be prudent on our part to allow the 10-percent provision to stay in effect so as not to damage a program that has been productive to date.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, I do not believe any treaties obligate us to do this. I do not believe that is correct.

Mr. BEALL. The Senator is correct.

Mr. FULBRIGHT. There is no treaty obligating us to do it.

Mr. BEALL. No, I did not mean that. Treaties do not obligate us to do this. Treaties do obligate us to help people to help themselves. If we enter into agreements with other countries around the world, that puts us in a position where we obligate ourselves to help them should they run into difficulty. I do not mean that we are obligated by treaty to provide this kind of assistance.

Mr. FULBRIGHT. No; we are not bound by any treaty to do anything like this, certainly not to deposit local currencies.

Mr. BEALL. I did not mean to imply that.

Mr. ALLEN. Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the motion has been yielded back.

The question is on the motion to reconsider

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. A "nay" vote would be against the Beall amendment?

The PRESIDING OFFICER. The question is on the motion to reconsider the vote by which the amendment was rejected. A "yea" vote will be a vote to reconsider and to allow the amendment to be voted on again.

Mr. FULBRIGHT. In a sense, it would be in favor of the amendment.

The PRESIDING OFFICER. A "yea" vote would be in effect a vote for the amendment.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY If we are opposed to the Beall amendment, we would vote "nay." Is that correct?

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. EASTLAND (after having voted in the affirmative). On this vote I have a pair with the Senator from Hawaii (Mr. INOUYE). 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. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Iowa (Mr. CLARK) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) and then Senator from Virginia (Mr. SCOTT) are necessarily absent.

The result was announced—yeas 46, nays 45, as follows:

[No. 231 Leg.]

YEAS—46

Aiken	Fannin	Pearson
Allen	Fong	Percy
Baker	Goldwater	Roth
Bartlett	Griffin	Saxbe
Beall	Gurney	Schweiker
Bellmon	Hansen	Scott, Pa.
Brock	Hatfield	Sparkman
Brooke	Helms	Stafford
Buckley	Hruska	Stevens
Cannon	Jackson	Taft
Cook	Javits	Thurmond
Cotton	Johnston	Tower
Curtis	Mathias	Weicker
Dole	McClure	Young
Domenici	McGee	
Dominick	Packwood	

NAYS—45

Abourezk	Hartke	Montoya
Bayh	Haskell	Moss
Bentsen	Hathaway	Muskie
Bible	Hollings	Nelson
Burdick	Huddleston	Nunn
Byrd, Harry F., Jr.	Hughes	Pastore
Byrd, Robert C.	Humphrey	Pell
Case	Kennedy	Proxmire
Chiles	Long	Randolph
Church	Magnuson	Ribicoff
Cranston	Mansfield	Stevenson
Eagleton	McClellan	Symington
Ervin	McGovern	Talmadge
Fulbright	McIntyre	Tunney
Hart	Metcalf	
	Mondale	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Eastland, for.

NOT VOTING—8

Bennett	Gravel	Stennis
Biden	Inouye	Williams
Clark	Scott, Va.	

So the motion to reconsider the Beall amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Maryland.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time on the amendment to be offered by the distinguished Senator from Alabama (Mr. ALLEN) be limited to 40 minutes rather than the 1 hour previously agreed to. I understand that meets with the approval of the sponsor of the amendment.

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

Mr. MANSFIELD. And 20 minutes on any other amendment with the exception of the Tower amendment.

Mr. TOWER. Mr. President, for the edification of the majority leader, I might say that in all probability I will not call up my last amendment, but I have not made a final decision.

Mr. MANSFIELD. With the exception of the Tower amendment, I ask unanimous consent that time on all other amendments be limited to 20 minutes, and in accordance with the usual procedure.

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

The question is on agreeing to the amendment of the Senator from Maryland (Mr. BEALL). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCOTT of Pennsylvania. Mr. President, a parliamentary inquiry. Is it correct that on this Beall amendment, a "yea" vote is for passage?

Mr. ROBERT C. BYRD. Mr. President, a rollcall is already in progress.

The PRESIDING OFFICER. A rollcall is in progress. The inquiry is not in order.

The rollcall was continued.

Mr. HATFIELD (when his name was called). Mr. President, on this vote I have a pair with the Senator from Utah (Mr. BENNETT). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Iowa (Mr. CLARK) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announced that, if present and voting, the Senator from Iowa (Mr. CLABK) would vote "nay."

Mr. GRIFFIN. I announced that the Senator from Utah (Mr. BENNETT), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The pair of the Senator from Utah (Mr. BENNETT) has been previously announced.

The result was announced—yeas 47, nays 44, as follows:

[No. 232 Leg.]

YEAS—47

Aiken	Eastland	Packwood
Allen	Fannin	Pearson
Baker	Fong	Percy
Bartlett	Goldwater	Roth
Beall	Griffin	Saxbe
Bellmon	Gurney	Schweiker
Brock	Hansen	Scott, Pa.
Brooke	Helms	Sparkman
Buckley	Hruska	Stafford
Cannon	Jackson	Stevens
Cook	Javits	Taft
Cotton	Johnston	Thurmond
Curtis	Mathias	Tower
Dole	McClure	Weicker
Domenici	McGee	Young
Dominick	Moss	

NAYS—44

Abourezk	Hart	Metcalf
Bayh	Hartke	Mondale
Bentsen	Haskell	Montoya
Bible	Hathaway	Muskie
Burdick	Hollings	Nelson
Byrd, Harry F., Jr.	Huddleston	Nunn
Byrd, Robert C.	Hughes	Pastore
Case	Humphrey	Pell
Chiles	Kennedy	Proxmire
Church	Long	Randolph
Cranston	Magnuson	Ribicoff
Eagleton	Mansfield	Stevenson
Ervin	McClellan	Symington
Fulbright	McGovern	Talmadge
	McIntyre	Tunney

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Hatfield, against

NOT VOTING—8

Bennett	Gravel	Stennis
Biden	Inouye	Williams
Clark	Scott, Va.	

So Mr. BEALL's amendment was agreed to.

Mr. TUNNEY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. PELL). The amendment will be stated.

The assistant legislative clerk read as follows:

On page 32, line 11, immediately after "SEC. 3101.", insert "(a)".

On page 32, after line 20, add the following:

(b) No vessel or boat may be sold, loaned, leased, given or transferred by any other

means to any foreign country or international organization unless that country or organization agrees prior to any such transfer that—

(1) the vessel or boat will not be used to interfere in any way with the normal fishing operations of any United States fishing vessel that is operating in any area claimed as territorial seas or fishery management zone which is not recognized as such or on the high seas; and

(2) if any such transferred vessel or boat is so used, the vessel or boat will be returned to the United States Government. In the event any such transferred vessel or boat is used by a foreign country or international organization to interfere in any way with the normal fishing operations of any United States fishing vessel that is operating in any area claimed as territorial seas or fishery management zone which is not recognized as such or on the high seas, no other vessel or boat shall thereafter be transferred by any means to that country or organization unless the Secretary of State is satisfied that such country or organization will no longer so use any such vessel or boat.

Mr. TUNNEY. Mr. President, a copy of the amendment is on the desk of every Senator if they care to read it. Basically, what this amendment would do would be to prohibit the loaning, leasing, giving, or sale of military vessels to those countries which use such ships against U.S. fishermen in international waters.

Ecuador and Peru have used vessels owned by the U.S. Government to go after our fishing boats operating in well recognized international waters—waters outside the normal 12-mile limit which are recognized by international law.

My amendment would prohibit the use of American vessels for this purpose. Although the Foreign Assistance Act deals with confiscation and expropriation of U.S. vessels, it has little bearing in this matter. American fishing boats are being seized in Latin American countries and are being held hostage for fines. They are not confiscated or expropriated unless the fines are not paid. In addition to this, the harassment perpetrated against American fishing boats is not limited to seizure. Their lines are often cut and they are sometimes even fired upon by the foreign country.

My amendment is a simple one. It would require any country seeking to loan, lease, buy, or receive an American vessel or boat to enter into an agreement specifying that it will not use them to interfere with normal fishing operations on the high seas not recognized by the United States. If this agreement is violated, the foreign country would be required to return the U.S. vessel or boat. Furthermore, the Secretary of State would be authorized to prohibit the transfer of any additional boats or vessels to the foreign country if this agreement is violated, unless he is satisfied that the foreign country will not continue to use U.S. vessels in this illegal manner.

The amendment does not prohibit transferred vessels from being used to seize American vessels that are carrying out illicit activities or are fishing within 12 miles of the shore of the foreign country.

Mr. President, since 1961, well over 100 tuna vessels flyng the flag of the United States have been seized by various Latin American nations. Such seizures and harassments represent a clear violation of international law. The United States, along with 92 other nations, recognizes a 12-mile territorial limit for fishing. Ecuador, Peru, and Chile claim control of waters extending 200 miles offshore. This claim is an infringement on the rights of the United States, and these constant harassments are nothing more than illegal attempts to bully American vessels off the oceans on which they have the right to sail. These nations should subject their claim to international negotation to establish fishery conservation agreements.

For years, the State Department has protested these Latin American attempts to restrict free access to the seas, yet seizures and harassments continue. Heavy fines are being levied upon those who attempt to fish inside these illegal 200-mile limits, fines which impose severe economic hardshps on the American tuna industry.

For the United States to supply the vessels which are used for the illegal capture of our own fishing boats is an outrage. The United States should not provide the means for other nations to contravene the widely held perception of international law which designates a territorial boundary of 12 miles from the shore of any country. The amendment I am proposing today would end the United States inadvertant complicity in the illegal actions which have been taken against our own fishing vessels.

Mr. FULBRIGHT. Mr. President, will the Senator from California yield?

Mr. TUNNEY. I yield.

Mr. FULBRIGHT. I have discussed this amendment with the Senator. It is an old familiar problem that we have had, particularly with Peru. The Senator's predecessor, Mr. Kuchel, used to introduce such an amendment—

Mr. TUNNEY. Then I am in good company.

Mr. FULBRIGHT. I am in accord with the amendment. I have supported it many times in the past, and the Senate has also passed it many times. I am perfectly willing to accept the amendment. I do not believe there is any opposition to it.

Mr. TUNNEY. I thank the Senator from Arkansas. I yield back my time.

Mr. MAGNUSON. It is, indeed, an old familiar amendment to me. It is the old Magnuson amendment. I want to join as a cosponsor of the amendment of the Senator from California.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the name of the Senator from Washington (Mr. MAGNUSON) be added as a cosponsor of this amendment.

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

Mr. FULBRIGHT. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from California (Mr. TUNNEY).

The amendment was agreed to.

Mr. JACKSON. Mr. President, on behalf of the distinguished Senator from Connecticut (Mr. RIBICOFF) and myself, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 11, between lines 17 and 18, insert the following:

(d) No sophisticated weapons, including sophisticated jet aircraft or spare parts and associated ground equipment for such aircraft, shall be furnished under this or any other Act to any foreign country on and after the date that country violates any agreement it has made in accordance with subsection (a) of this section or any other provision of law requiring similar such agreements.

Mr. JACKSON. Mr. President, the amendment I propose is a simple one, intended to strengthen the nontransfer provisions of the bill by adding a much needed sanction in the case of the illegal transfer of sophisticated weapons, particularly jet aircraft.

As presently written, the bill does not specify any sanction in the event that a country receiving sophisticated weapons from the United States departs from its commitment to refrain from transfering such weapons to a third country. My amendment would add such a sanction, specifically, the termination of further shipments of sophisticated weapons, spare parts and associated ground equipment. The termination of such shipments to a country in violation of its obligatory nontransfer commitment would take effect immediately upon any illegal transfer.

Mr. President, as I understand the provisions of section 104 of the bill, no country receiving weapons from the United States may, without the consent of the President, "permit the use" of such weapons by persons who are not nationals or employees or agents of that country.

Clearly, this prohibition would extend to the use of such weapons for the purpose of training persons otherwise ineligible to obtain control of or use them. This has particular significance in the context of the possible sale to Saudi Arabia of sophisticated jet aircraft. It means, in my judgment, that Saudi Arabia would be prohibited from making these aircraft, or the ground training equipment associated with them, available to, say, Egyptian nationals, whether they be regular members of the armed forces of Egypt or employed in some other capacity.

The addition of the sanction I am here proposing to this provision will strengthen the bill and help to assure that Phantom aircraft for Saudi Arabia, a subject of extensive discussion, could not be transferred to any other country, nor could these aircraft and equipment be used for the purpose of training any non-Saudi pilots. At the first evidence of such activity, whether it be the transfer of the aircraft themselves or the training of third-country nationals, the flow of sophisticated weapons and spare parts would be immediately terminated.

Mr. President, I would hope that the contingency that my proposed amend-

ment is intended to deal with would never arise. But I firmly believe that, because they lack a clear and immediate sanction, the provisions of the existing bill are inadequate to cope with the transfer of sophisticated weapons that can so dramatically affect the balance of forces in the affected region. In the case of the Middle East, this is particularly true.

In the Middle East, there exists a certain stability that arises out of the present military balance. We should do nothing to permit that balance to shift; on the contrary, I believe that we ought to consider with great care whether it may be necessary to reexamine the adequacy of Israel's defense capability in light of the flow of sophisticated weapons to the countries of the Middle East—and to make any necessary adjustment that may involve an augmentation of the Israeli Air Force.

Mr. President, while I believe that the stability of the vital Middle East and Persian Gulf area can be strengthened by assisting Saudi Arabia to maintain an adequate defense, I have grave doubts about the wisdom of transferring Phantoms to the Saudis. I believe that this is an issue that we in the Congress will wish to watch very closely. In my view, no clear need for the transfer of Phantom aircraft to Saudi Arabia has been established by the administration. I would hope that we would concentrate our efforts on helping the Saudis to obtain the far more useful self-defense capability that they now lack, a capability requiring less elaborate military hardware.

Mr. President, I have discussed this amendment with the distinguished chairman of the committee and I understand there is no objection to it.

Mr. FULBRIGHT. Mr. President, no, there is not. The principle is sound. The Senator would strengthen the principle which we have long had in the law as to transferability of the weapons we give under the program to foreign countries. I am in favor of the amendment and support it.

Mr. JACKSON. Mr. President, I yield back my time.

Mr. FULBRIGHT. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Washington (Mr. JACKSON).

The amendment was agreed to.

Mr. ALLEN. 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 assistant legislative clerk read as follows:

On page 14, strike out line 4 and all that follows through and including line 2 on page 16 and insert in lieu thereof:

"SEC. 1104. The President is authorized to finance procurements of defense articles and defense services by friendly countries and international organizations on terms of repayment to the United States Government of not less than the value thereof in United States dollars within a period not to exceed 20 years after the delivery of the defense articles or the rendering of the defense services.".

On page 17, strike out line 12 and all that follows through and including line 14 and insert in lieu thereof:

"SEC. 1106. There are authorized to be appropriated to the President to carry out, this part not to exceed $525,000,000 for the fiscal year 1974.".

The PRESIDING OFFICER. The Chair inquires of the Senator from Alabama, is this not the amendment on which there is a 40-minute time limitation?

Mr. ALLEN. The Chair is correct. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. ALLEN. Mr. President, I should like to inquire of the distinguished chairman of the committee whether he would object to the amendments being considered en bloc, inasmuch as they deal with the same general subject.

Mr. FULBRIGHT. No, I have no objection.

Mr. ALLEN. Mr. President, I ask unanimous consent that the amendments may be considered en bloc.

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

Mr. ALLEN. Mr. President, on behalf of the distinguished Senator from Washington (Mr. JACKSON) and myself, I have introduced this amendment to sections 1104 and 1106 of S. 1443.

Section 1106, as written, would provide only $200 million for a foreign military sales credit program of $700 million. This sum is obviously insufficient. This amendment would provide $525 million in new obligational authority for a credit program of the same level provided by the committee in fiscal year 1974. In other words, the total program would be the same, $700 million, which is the program envisioned by the committee; but as will unfold a little later, it is impossible to have a $700 million program with a $200 million appropriation, especially since $300 million of the $700 million is earmarked for Israel. So how can we carry on a $700 million program with $300 million earmarked for Israel, and only $200 million appropriated?

The credit program is an essential element of the Nixon Doctrine which encourages other countries to assume more responsibility for their own defense. This is no "give away" program. The funds provided are either direct government-to-government credits or guaranties of private credit furnished by private U.S. financial institutions. The credits are used by foreign countries to purchase defense articles and services from the United States. The funds are eventually returned to the U.S. Treasury as the loans are paid off. This is to be distinguished from the grant program. This is a credit, a guarantee program. S. 1443, as reported by the committee, would seriously weaken the credit program by failure to provide sufficient funds to carry it out.

The difference in funding levels proposed by S. 1443 and my amendment are critical. The amendment proposes that $525 million be appropriated in NOA for a credit program of $700 million. The ratio between these two amounts corresponds roughly to fund and program levels of recent years. Based on past experience, the $525 million that the amendment authorizes is the minimum required properly to support this program which includes $300 million for Israel alone. The $200 million provided by S. 1443 is totally inadequate to meet all our needs including the $300 million loan to the Israelis—and would place the program in serious jeopardy.

There are two types of programs: the government-to-government program that would come out of the $200 million, and then, a credit program, assuming they can get financial institutions to enter into that type of program, wherein the government sets aside 25 percent of the amount loaned in a reserve fund to secure all such type loans. So, theoretically, the loan program could be extended by this 25 percent again.

Mr. President, just to show that this program has been working—the credit program and the guarantee program—since the early 1960's, $1.8 billion has been loaned under the combined program.

The PRESIDING OFFICER. The minute of the Senator has expired.

Mr. ALLEN. Have I used 10 minutes?

The PRESIDING OFFICER. The Senator has used 6 minutes.

Mr. ALLEN. I yield myself an additional 5 minutes.

Out of the $1.8 billion loaned since the early 1960's, $900 million has been repaid. There has been interest of $155 million, and there is now in this 25 precent reserve fund $128 millilon.

I have been advised by the State Department this afternoon that it is anticipated that under this program, this year, $200 million in principal and $56 million in interest will be repaid. More will be repaid than the total amount appropriated for the fund.

To show how it would work, Mr. President, with respect to the $300 million obligated for Israel, based on the experience they had this fiscal year, they had to lend $150 million in a direct government-to-government loan, no guarantee program at all. That used up $150 million.

They were able, then, by using the guarantee program of 25 percent of the private investor loan, to secure the additional $150 million. They had to put up a guarantee of $37.5 million.

So if the same system is used this time, it is quite obvious that to use up the $200 million will come within $12.5 million of using it all up on just this one loan. And there are other nations to be taken care of—$80 million is projected to be loaned to a South American country.

This loan program has been highly successful. I am advised that there is only some $2 million in arrears on all these loans now outstanding on the Government books.

These countries buy the equipment from the United States. They use that equipment. They are taught by American people. It provides jobs for American workers, and it establishes a friendly and firm relationship between our Government and these foreign governments, and

at very little expense to the U.S. Treasury under this loan program.

The involvement of U.S. financial institutions in financing sales of arms and equipment, guaranteed by U.S. Government funds, is relatively recent. Some banks are not attracted by the idea of financing sales of military items to countries abroad, although this attitude is changing.

I might state that in the current year, $400 million was appropriated on an overall program of $525 million. They were not able to use all the $525 million because they had to use so much of the government-to-government loans.

It did not expand the program a great deal. So they are not able to change the proposed $400 million. The program is being cut back by the committee to the level of $200 million, which is half of what was appropriated for this year, while this record stands in its face.

I submit that using the figures provided by the committee, of $700 million, an appropriation of up to $525 million would enable this program to be carried out in proper fashion.

The whole $200 million funding level proposed by the committee contradicts the bill's stated policy of helping countries achieve their grant assistance by direct commercial purchases.

The PRESIDING OFFICER. The Senator's additional 5 minutes have expired.

Mr. ALLEN. I yield myself 5 additional minutes.

The bill provides for credit and, in fiscal year 1974–75, for grant assistance to specific countries, to be repaid in local currency at the equivalent of zero percentage of interest.

Why would they require the equivalent of zero percentage of interest? I may say that in exercising the loan guarantee fund, the Government has been collecting $500 million every year. But the committee bill would upset a very fine business arrangement, whereby military equipment is sold to foreign countries, and they are paying interest. But the committee bill would raise the interest from zero percent to 3 percent, whereas my amendment would require the money to be repaid in American dollars and would give the Government an opportunity to charge the prevailing rate of interest.

Participation by these lending institutions has grown in recent years. In fiscal year 1973, the private credit component of the foreign military sales program, arranged by U.S. financial institutions, amounted to almost 40 percent—$218.3 million—of the total credit program of $550 million. It is hoped that the private interest in the program will continue and increase. The administration believes that the involvement of U.S. private enterprise in this area is essential. This kind of involvement is, after all, very much in the American tradition—and indeed is called for by S. 1443.

The provision of only $200 million in funds for a $700 million program as provided by S. 1443 would mean that virtually all foreign military sales credits would have to be negotiated by using USG 25 percent guarantees of loans provided by U.S. lending institutions. At the same time, very few funds would remain for direct government-to-government loans.

More fundamentally, the low $200 million funding level proposed by S. 1443 contradicts the bill's stated policy of helping countries shift from grant assistance to direct commercial purchases through a period of easy credit. The bill provides for credit in fiscal year 1974–75 for grant assistance recipient countries to be repaid in local currency at zero percent of interest, and for local currency repayments at no less than 3 percent in fiscal years 1976–78. But this kind of financing simply could not be done, since the program proposed by this bill relies almost exclusively on private financing which requires commercial rates of interest and repayment in U.S. dollars. I know of no U.S. bank that would be interested in 0 to 3 percent financing.

The administration's policy, supported by Congress, is to phase out grant assistance on an orderly basis and ease the transition with credits for the purchase of military items. This policy is being carried out. Most recently, Greece, Liberia, and the Republic of China have "graduated" from grant assistance to credits. Turkey received credit for the first time in fiscal year 1972; $75 million is requested for Turkey in fiscal year 1974. Korea has been taking on increasing amounts of credit since fiscal year 1971, and $25 million is requested in fiscal year 1974. The administration's proposed FMS credit program supports this policy in a realistic way. It proposes a balance between private financing and direct government-to-government credit. It proposes to offer credit at its cost to the U.S. Government—with only rare exceptions—and to require that the loans be repaid in U.S. dollars.

Unless we have a properly funded foreign military sales credit program, we shall greatly increase the doubts of our allies regarding the dependability of the United States as a source of military supply. We would run the risk that many allies might turn to European suppliers which are actively seeking to expand their sales and which are strongly supported by national credits. This would be a loss to the United States in both political and economic terms. Politically, this would mean the reduction in an important element of our international relations. Economically, this would mean a loss—by our own doing—to our industry, our balance of trade, and our balance of payments. It runs wholly counter to everything we are attempting to do to restore our economy and our economic position in the world.

The amendment would raise the level of new money for the foreign military sales credit program, but in our view the price is justified. The additional money will generate additional sales and additional income to the United States and our workers. This administration has wound down the war in Indochina. It is reducing America's share of the cost of common security programs in an orderly manner. It has demonstrated the capacity to devise new policies to meet changing world conditions. This bill will, if adequately funded, give the administration the resources it needs to continue to make progress in one of our military assistance programs that is essential to the interests of our allies and ourselves.

I urge Senators to support this amendment.

Mr. President, I ask unanimous consent that a table showing the amounts lent under this program and the amounts repaid be printed in the RECORD.

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

(Amount in billions)

Since beginning in early 1960s when we first started offering credits:

Amount	$1.8
Repayment of principal	.9
Interest earned and paid	.155
Guarantee receive fund part returned every year since 1960's at rate of $3 to $4 million, and increasing every year	.128

(Amount in millions)

1973—Anticipated payment on total credit:

Principal repayments	$200
Interest payment	56

If $200 million prevails, all but 34 million—or 166 million—must be used as guarantee for private credit. Never used more than $54 million. If we get 525 million, we hope to use $78 million. $150 million part for Israel. It was very difficult last year, and they are a good risk.

Mr. ALLEN. Mr. President, if the full $300 million were to be provided for Israel, it would mean that all other nations that are receiving credit under this program, or receiving anything at all, would be gobbled up by Israel. That is all well and good provided funds are available for other nations using this program, including the $80 million to be lent in Latin America. The committee amendment would destroy any effort or any ability on the part of the Government to make loans to Latin American countries for the purpose of buying military equipment, and would turn those loans over to other nations.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. JACKSON. Mr. President, I have joined with the distinguished Senator from Alabama in support of the amendment. I think he has stated the case very well. If we are going to have a viable program at all, in order to implement American foreign policy in the 1970's, obviously there must be resources available to do that job.

When we limit the authority as it is in the bill to $200 million, in light of minimum requirements around the world, we do not have the means by which we can have any kind of capability to do the things that are essential in carrying out American foreign policy.

I am not one who favors a program of peddling America's capability in terms of sales.

Obviously, there are many countries that should not be buying military equipment. I voted yesterday in the case of the Greek aid amendment to see to it that we do something about the viability

of the system in Greece. I want to see a strong, viable government there, but I do say that if we adopt the standard of only $200 million for total sales for the coming year, $150 million of that is already committed, and properly so, under authority of the amendment, I had agreed to sometime ago—aid to Israel—which the Senator from Alabama supported.

Mr. ALLEN. Actually this bill mandates the Government to provide $300 million.

Mr. JACKSON. Without only $200 million available.

Mr. ALLEN. Yes.

Mr. JACKSON. This is a shell of a bill to carry out a very important part of our foreign policy. I strongly support the Allen amendment. I hope the Senate will adopt it so that we can do the job we must do in the 1970's.

Mr. ALLEN. I thank the Senator. I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield 3 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the sum of $200 million should not be confused with the total authorization of the bill, nor should Israel be so confused. As a matter of fact, Israel is able to go to the Export-Import Bank and obtain the resources she needs for military aid up to $300 million. I talked this afternoon with representatives of the State Department and asked if this $200 million limits the possibility of Israel being able to get the $300 million, and the answer was no. As a matter of fact, she can get most of her banking done through the regular banking structure.

Mr. ALLEN. Would the Senator provide that she could not use that source for any of the $300 million?

Mr. HUMPHREY. No, I do not think it is necessary. I believe it is in our interest to slow down the sale of arms.

Mr. ALLEN. It is written in the bill that $300 million goes to the government of Israel.

Mr. HUMPHREY. Under the total authorization.

Mr. ALLEN. I have no objection to that.

Mr. HUMPHREY. The bill states:

> There are authorized to be appropriated to the Secretary of State to carry out this part not to exceed $200 million.

That part is under the guarantees, government to government. The government of Israel has been able to use both the guarantees and direct commercial borrowing out of banking structures of the country. I do not think we should confuse that with whether $200 million is adequate.

Mr. ALLEN. I think the Senator has it confused because this year this program had to guarantee 25 percent of $150 million.

Mr. HUMPHREY. The Senator is correct.

Mr. ALLEN. And then had to make a loan of more than $150 million to get it to $300 million.

This is a twofold program. It is credit sales.

Mr. HUMPHREY. The Senator is correct.

Mr. ALLEN. And also guarantee sales. But the $200 million limitation applies to both programs.

Mr. HUMPHREY. I am aware of that. It is government to government, and the guarantee sales was privately financed but guaranteed by the Treasury of the United States. I am saying it is not right for the Senate to believe this $200 million would jeopardize the military assistance and credit sales or guarantee to Israel. It is a fact it would not leave much left over, but I do not think there should be much left over. It seems to me if these countries are such good repayers the private banks of those countries may find they would enjoy getting their interest and principal back.

The problem we have on the $200 million is with respect to those countries that are not good repayers.

It seems to me that if we are going to try to put the brakes on arms sales, this is the place to do it. I think the $200 million might be tight and we might increase that, but I see no reason to go to $525 million.

We tried to get $50 million for EDA in loans for development of water systems and industries in this country—just $50 million, and the administration said it is too much.

Here is a request for $525 million, authorized appropriation to people who do not need these weapons, many of them who have a hard time paying for them, and when they do, they are neglecting other things that need to be done. It seems to me the committee came up with a prudent and fiscally responsible proposal.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, the proposed amendment would increase the authorization for the foreign military credit sales program by $325 million, a 160 percent increase above the amount recommended by the committee. In addition, it would make major policy changes in the way the program is to be administered. Of course, that requires that much more in appropriation.

Under existing law, there is a 10-year repayment limit on credit that is extended by the U.S. Government to developing foreign countries for arms purchases. The committee recommended that this limit be retained. The pending amendment would double the present repayment period and make it 20 years. If this is approved, countries will be paying for planes, tanks, and guns long after they have been sent to the scrap heap.

The bill before the Senate sets a floor on the interest rate that can be charged for direct Government loans for arms purchases. It requires that the borrowing country pay interest equal to the cost of money borrowed by the Treasury Department or the rate charged by the Export-Import Bank on loans for comparable purposes, whichever is higher.

However, I point out that very generous concessional terms are allowed on loans to grant aid countries, in limited amounts, to help them make the transition from grants to credit sales. This is a price that had to be paid in the transition process, the committee felt. The impact of this change on the credit program will not be felt until the 1975 fiscal year, however.

The proposed amendment would allow loans to be made without the borrower having to pay any interest. The Treasury is now paying more than 7 percent on long-term borrowings. The Export-Import Bank charges 6 percent on their direct loans for arms purchases. Thus, under the committee's bill, the borrower would be required to pay at least a 7-percent-plus rate. Under the pending amendment the executive branch could let the borrower pay 3 percent, 2 percent, 1 percent or no interest.

Companies like General Motors, RCA, and Xerox must now pay 7½ percent for bank loans. Home buyers must pay 8 percent and up. Small businessmen 9 percent and up. Do Senators want to give the executive branch authority to make loans for arms purchases at no interest to countries like Greece, Taiwan, and Brazil—with money our Government has borrowed at 7 percent? I hope not.

Now as to the amounts involved. The committee, in recognition of the Senate's and the Congress' pledge to fiscal responsibility, has taken action to minimize the use of appropriated funds for financing credit sales while still approving an overall ceiling only slightly less than that requested by the administration. Under the plan approved by the committee most of the financing would be through commercial banks with the loans backed by a Government guaranty. Under the guaranty program of 25 percent of the amount backed by a guaranty must be placed in a reserve account, thus, the $200 million in appropriations authorized by the committee will be more than ample to finance the $700 million in credit authorized by the bill. Under the administration's credit sales proposal, $313 million in commercial financing was programed. I have no doubt that ample additional commercial financing can be arranged with Government encouragement.

Mr. President, our Nation's fiscal situation is desperate. The President has asked for a $20 billion increase in the limit on the national debt. This amendment would add $325 million more to that debt burden.

Talk is cheap, Mr. President. The vote on this amendment will tell if the Senate really wants to be fiscally responsible or whether that is only so much talk.

I do not understand why we insist on giving this kind of program such a high priority that we want to give them loans at no interest or at interest of 2 percent or 4 percent. There is no use belaboring the point. The Senator from Alabama assumes the very question at issue. Is it in our interest to continue to foist this in large amounts because of jobs at home? I can understand the man who has a job that likes it or the company selling planes. I do not expect

them to come in and say, "No, we do not want to do business any more."

The Senator from Pennsylvania said the foreign aid has no constituency. I do not know what he means by that. I do not know of anyone next to the Pentagon that has more powerful constituents. I have no objection to making money. Of course, in wartime we have to do it. But the war in Vietnam is over. I thought we were going to move toward a peacetime economy, and this is a very gradual reduction. If the Senate wants to make the terms more liberal it is privileged to do so. I think it is very much against the interests of this country to do it.

Mr. President, I am willing to yield back the remainder of my time if the other side is willing to yield back the remainder of their time.

Mr. ALLEN. Will the Senator yield a moment? The Senator is talking about the liberal terms of the amendment. Actually, it is the committee that has the liberal terms, because the amendment provides for repayment in American dollars, whereas the committee, from 1973 to 1978, is providing for payment in the currency of the foreign country.

Mr. FULBRIGHT. If the Senator will allow me, that was strictly confined to those countries that were phased out during what is called the phaseout. The Senator's amendment applies across the board to all of them.

Mr. ALLEN. It is the law at the present time.

Mr. FULBRIGHT. We were assuming the phaseout period, which was defeated by a very narrow majority just recently, would be in effect, and during that period they would be given concessional loans; but the regular lending program does not have that provision. The Senator is doubling the 10-year period to 20 years.

Mr. ALLEN. I am not doubling it. That is the present law.

Mr. FULBRIGHT. The present law is 10 years.

Mr. ALLEN. That is what the Senator has here.

Mr. FULBRIGHT. It is my understanding that the amendment provides 20 years. I apologize if I did not understand. The present law provides 10 years; the Senator's amendment makes it 20 years.

Mr. ALLEN. I am advised 20 years is the present authorization.

Mr. FULBRIGHT. I am advised it is 10 years.

Mr. ALLEN. We had better get our advisers together.

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. The committee amendment provides for 10 years. That is the point. The amendment provides for 20 years.

Mr. ALLEN. The question is, What is the present law?

Mr. HUMPHREY. We are going to write the present law. That is what we are going to write. That is the purpose of this session.

Mr. FULBRIGHT. I have in my hand the official legislation, the Foreign Military Sales Authorization, chapter 2. I am reading from the official book, on page 203:

> The President is hereby authorized to finance procurements of defense articles and defense services by friendly countries and international organizations on terms of repayment to the United States Government of not less than the value thereof in United States dollars within a period not to exceed ten years after the delivery of the defense articles or the rendering of the defense services.

I do not know where the Senator gets 20 years.

Mr. ALLEN. Very well, if that is what it is, but I was advised that is the present law.

Mr. FULBRIGHT. The bill provides 10 years.

Mr. ALLEN. If that is the only point the Senator is making——

Mr. FULBRIGHT. No, that is not the only point. It is one of many.

With respect to the interest rate provision, and the soft loans, the bill restricts them to what we called the phaseout period on grant aid. All along there was confusion as to whether we had been talking about the grant program or the overall program. The phase-out applied to the grant portion of the bill. That has been removed. The bill anticipated that in that period where we changed from grant to loans which would be repaid, during the transitional period we would give them concessional loans.

The amendment lengthens the period and softens the loan requirement and the interest rate and increases the burden upon the Treasury, because it calls for an appropriation of an additional $325 million, which is a 160 percent increase.

Mr. HUMPHREY. It is $525 million.

Mr. FULBRIGHT. $325 million above what the committee provides.

Mr. ALLEN. Is not the overall ceiling the same?

Mr. FULBRIGHT. The overall ceiling is $200 million. With $200 million, one could go to the Chase bank or any other bank and could finance up to $800 million, under the bill, because it is 7 to 1. It is more than the ceiling.

Mr. President, I yield back the remainder of my time.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, I rise to indicate my support for the amendment of the Senator from Alabama. It is and should be our policy to move away from outright grants to loan assistance. One way to encourage that trend is to have adequate loan authority available.

As reported, the committee bill would chop off grant assistance while cutting back drastically on loan authority.

I believe the Senator from Alabama is pointing in the right direction with his amendment, and I think it should be adopted.

The PRESIDING OFFICER. Is all time yielded back? Does the Senator from Alabama yield back his time?

Mr. ALLEN. Mr. President, how much time do I have?

The PRESIDING OFFICER. Three minutes.

Mr. ALLEN. Yes, I yield it back.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment offered by the Senator from Alabama (Mr. ALLEN) for himself and the Senator from Washington (Mr. JACKSON). 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 Alaska (Mr. GRAVEL), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE) and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Iowa (Mr. CLARK) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Alaska (Mr. GRAVEL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The Senator from Connecticut (Mr. WEICKER) is detained on official business.

The result was announced—yeas 36, nays 53, as follows:

[No. 233 Leg.]

YEAS—36

Allen	Eastland	Long
Baker	Ervin	Magnuson
Bartlett	Fannin	McClure
Beall	Fong	McGee
Bellmon	Goldwater	Packwood
Brock	Griffin	Scott, Pa.
Buckley	Gurney	Sparkman
Cannon	Hansen	Stevens
Curtis	Helms	Taft
Dole	Hruska	Thurmond
Domenici	Jackson	Tower
Dominick	Johnston	Young

NAYS—53

Abourezk	Hart	Moss
Aiken	Haskell	Nelson
Bayh	Hatfield	Nunn
Bentsen	Hathaway	Pastore
Bible	Hollings	Pearson
Brooke	Huddleston	Pell
Burdick	Hughes	Percy
Byrd, Harry F., Jr.	Humphrey	Proxmire
	Javits	Randolph
Byrd, Robert C.	Kennedy	Ribicoff
Case	Mansfield	Roth
Chiles	Mathias	Saxbe
Church	McClellan	Schweiker
Cook	McGovern	Stafford
Cotton	McIntyre	Stevenson
Cranston	Metcalf	Symington
Eagleton	Mondale	Talmadge
Fulbright	Montoya	Tunney

NOT VOTING—11

Bennett	Hartke	Stennis
Biden	Inouye	Weicker
Clark	Muskie	Williams
Gravel	Scott, Va.	

So Mr. ALLEN's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CASE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk proceeded to state the amendment.

Mr. McGEE. 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 18, strike out the words "of cash sales under sections 1102 and 1103 of this Act," in lines 5 and 6 and in lines 14 and 15;

On page 18, insert the following new subsection between lines 21 and 22:

"(c) The limitations of this section may not be waived pursuant to any authority contained in this or any other Act unless the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. In any case in which the limitations of this section are waived under the preceding sentence, the report required under such sentence shall set forth in detail the expenditures proposed to be made in excess of the geographical limitation applicable under this section. Notwithstanding the foregoing provisions of this subsection, in no event shall any geographical ceiling applicable under this section be exceeded by more than an amount equal to 50 per centum of such ceiling."

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 10 minutes on the pending amendment, the time to be equally divided between the sponsor of the amendment and the manager of the bill.

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

Mr. McGEE. Mr. President, I can explain the amendment very simply. It is an amendment that is aimed at exempting the regional ceiling limitations on Africa and Latin America. That is, the cash sales under the bill would not apply to the ceiling. On Africa it does not affect the status in any way. It is a low enough figure. In Latin America there is no arms race on among the nations.

It only means that if they do not stay in contact with us in the sales that we can influence, they are going to get them in Eastern Europe or someplace else. It is not an issue as to whether they get them or not.

I believe that it is to our advantage. I happen to be chairman of the Latin American Subcommittee at the present time. And I have spent a lot of time in these last few months with every delegation from Latin America. When they are asking for considered status, they are asking to be put back on the front burner in our priorities.

This is one of the elemental areas where they can be recognized, with direct relations with us, as having some status and dignity as a nation.

So, the amendment would simply do that. It would not count cash sales under the regional ceilings involved in the bill in those two areas, Africa and Latin America. It would restore to the President an option, if he makes a finding and reports to Congress that this is a serious factor in the national security interest. It would restore his old option to lift that ceiling up to 50 percent in extreme cases.

Mr. President, the effect of section 1302, should it remain in its present form, would be a strong signal to our Latin American neighbors that the United States was not really interested in establishing closer, more mature relationships within the Hemisphere.

Regional ceilings for Latin America and Africa were first established as an effort to curtail the diversion of scarce funds from economic development to arms purchases. The Latin American ceilings also signaled U.S. concern over the possible development of an arms race in that part of the world. Yet, in retrospect, there has been no arms race in either Latin America or Africa. Major purchases have been largely directed toward replacing obsolete and difficult-to-maintain equipment. In Latin America, despite repeated expressions of interest in U.S. equipment, the bulk of the sales have ultimately gone to our allies in Europe.

Thus, the magnitude of just one or two major purchases would be sufficiently large enough that they could account for the bulk of the U.S. regional ceiling in any one year and force curtailment of procurement in support of routine operations. In effect, we have been significantly inhibited from responding to legitimate requests which has resulted in most nations of the hemisphere turning elsewhere for their major purchases.

From 1967 through 1972, military arms sales to Latin America totaled over $1.6 billion, of which the U.S. share was only about 13 percent of this figure. Despite the recent upsurge in Latin American purchases of military equipment, the region expends an average of only 2 percent of its gross national product for military purposes. This is the lowest total of any developing area in the world.

On the other hand, the African ceiling poses no problem for our security assistance programs. The requested aggregate for fiscal year 1974 is about $35 million. The annual foreign military cash sales level has been about $5 million.

But of greater importance is the impact of the proposals embodied in S. 1443 upon those nations affected. As sovereign entities they have become increasingly aware of problems associated with their development. Each government perceives what is required to meet the needs of its population and each has its own ideas on the allocation of resources. Most regard the imposition of a regional ceiling of military sales by the United States as undue interference in their affairs and resent such attempts to control their use of funds.

Most recent purchases of arms have given the governments concerned a modest, modern capability in keeping with their national aspirations. However, our policy of unilateral restrictions has countered these attempts and has also been both ineffective and harmful to our relations.

Section 1302 of S. 1443 would include the value of cash sales against the Latin American and African ceilings and would eliminate the 50-percent Presidential waiver in existing legislation. This can only be interpreted as a double retreat from our recent attempts to treat Latin American nations on a mature basis. Cash sales under the Foreign Military Sales Act are made at the initiative of the purchasing government which has the right to expend its money in its own best interests. Without the Presidential waiver authority, the U.S. total of overall military sales from 1967 through 1972 would have been significantly smaller.

In conclusion, I would just add that to deny legitimate requests for arms to our Latin American neighbors contributes to a diminution of U.S. cooperation within our own hemisphere. We can ill afford to take such precipitous action at this time when there is a rising concern in Latin America that the U.S. policy in the Western Hemisphere is one of increasing neglect.

That is the whole issue of the measure, and my colleague from Tennessee has worked at this measure. He is a cosponsor of it, and I am glad to yield such time as remains to him.

Mr. BROCK. I thank the Senator for yielding.

I might say briefly that I know there are a lot of people in this country who simply want to eliminate the arms sales entirely. I do not think it is rational, feasible, or in the national interest to do so. Latin America, in the last 5 years, has reduced arms purchased to 13 percent in terms of what they buy from this country. I think that has more than a military or balance of payments implication. I think it has a very clear political implication in terms of our coordination with those people, who consider themselves and whom we consider as very good friends and allies.

All we are trying to do is exclude the value of cash sales from the regional ceilings, and I cannot for the life of me see why these sales should be considered as subject to some form of limitation on the part of the foreign aid program. It seems to me that the amendment makes commonsense as well as political, economic, and military good sense, and I urge the support of the amendment.

Without this amendment, the bill would have a serious adverse effect upon our relations with the other nations of this hemisphere. Continuation of these inter-American policies requires that added flexibility be granted to the President.

I am advised that our current trade relationships with the African nations are such that S. 1443 would not have noticeable adverse effects there, and my remarks are addressed only to the bill as it applies to Latin America.

S. 1443 would limit the ability of the Executive to respond to the legitimate defense requirements of the Latin American nations. It does so by proposing to include the value of cash sales within the regional ceiling for Latin America as well as by eliminating the 50 percent Presidential waiver authority in existing legislation.

The authority of the President to waive the present regional ceiling for Latin America has enabled the United States

to conclude several important sales with Latin American countries. In fiscal year 1973, we were able to sell North American Rockwell OV–10 aircraft to Venezuela. This year, the waiver has been essential to permit the possible sales of Cessna A–37's, Lockheed C–130, and Northrup F–5E aircraft to several interested countries.

Many observers would prefer to sell no arms abroad whatsoever, but past experience has demonstrated that we are not able, by a unilateral restrictive sales policy, to halt the purchase of military equipment. Other suppliers are available and willing to fulfill Latin American requirements through provision of credit and the sale of equipment. It is worth noting that during the 5-year period from 1967 to 1972, the Latin American nations purchased $1.6 billion worth of new equipment. Of this, only $261 million was spent in the United States.

The effect of these statistics on our balance of payments is obvious. The political effects are not so obvious and have included a diminution of the valuable military relationships established over the years which provide important channels of communication for our overall relationships.

Section 1302 of the bill currently before us would signal that we are unwilling to relinquish a paternalistic attitude toward these countries and to establish relations on the basis of mature partnership. The administration has repeatedly affirmed its intention to encourage the Latin Americans to become more self-reliant by looking to them to take the initiative in articulating and assuming responsibilitly for their needs. In keeping with this policy, we wish to respond positively in assisting the Latin Americans to meet their legitimate needs when requests are received.

We can do that by adopting this amendment to section 1302. By our willingness and capability to respond in meeting the legitimate military requests of Latin American countries, we will continue the confident military supply relationship that has developed since World War II. Even more important, this relationship gives a favorable cast to our overall relations with the entire hemisphere—a matter of inestimable importance to the future of our country.

Mr. DOLE. Mr. President, I wish to support the amendment offered by the distinguished Senator from Tennessee (Mr. BROCK) and from Wyoming (Mr. MCGEE). This amendment would remove cash sales from the regional ceilings for Latin America and Africa and restore the President's authority to waive up to 50 percent of the amount of these ceilings.

It is important to note that all cash sales under the foreign military sales program are made at the initiative of the purchasing countries. If the United States were to impose limits on these cash sales by means of a ceiling, such a step would surely be resented by Latin American and African nations—and rightly so—as a paternalistic interference in their efforts to provide for their own defense. Such an unwarranted and gratuitous step by the United States would surely detract from the mature political relationships we seek with Latin American countries. And in Africa, it would undermine our professed interest in contributing to improved internal security as a basis for orderly national development.

The regional ceilings for Latin America and Africa were originally established to curtail arms races in developing nations and prevent the diversion of scarce funds in these countries from economic development to arms purchases, but in retrospect, it can be seen that there has been no arms race in either Latin America or Africa, even when waiver authority was utilized. These regions expend an average of slightly more than 2 percent of their GNP for military purposes, the lowest for any regions of the world. Furthermore, the expenditures undertaken by these nations have been largely directed toward replacing obsolete and difficult-to-maintain equipment, rather than expanding the overall size of their forces.

Aside from these foreign policy questions, there is the consideration of the adverse impact these ceilings have had on American exports, and thereby, our whole economy. For example, from 1967 to 1972, major military equipment purchases by Latin American countries, worldwide, totaled over $1.6 billion, but the U.S. share was only about 13 percent.

Now, I certainly do not believe the United States should seek to profiteer on the sales of the tools of war around the world. But we should be realistic. These countries are obviously going to continue their equipment modernization programs, and American manufacturers will have greater opportunities in this promising market if we enact the proposed amendment to liberalize the regional ceilings. If given amounts of military sales are going to be made in any event, it is not in the interests of the United States to see these sales going to German, French, British, or other companies, when American workers can produce the same products on a competitive basis.

I am particularly concerned with this point, because among the export sales which would be blocked would be Cessna A–37 aircraft, which are produced in Wichita, Kans. Production of this versatile and valuable aircraft, each one valued at more than $500,000, provides significant employment in an area that has suffered severe economic dislocations in recent years, and I do not believe the workers at French or British aircraft plants are any more deserving of employment than those individuals in Wichita. Nor do I see any compelling reasons to eliminate these sales' contributions to reducing America's balance-of-payments deficit.

In addition to the adverse political and economic effects of the ceilings, they also detract from our military relations. For example, the Latin American armed forces have been historically associated with ours in common defense arrangements. More recently the military in Latin America has emerged as a major force for national development. In limiting our ability to provide equipment sought by Latin American armed forces, the ceiling has caused a reduction in the common orientation in doctrine, tactics, and logistics in the hemisphere and has given the inaccurate impression that we lack interest in the whole region. It is not in the interest of the United States to let this trend continue.

Therefore, Mr. President, I believe these provisions which were contained in the bill as reported by the committee are not truly in the interests of the nations of Africa and Latin America. Nor are they in the interests of this country. I urge the adoption of the amendment to eliminate these provisions.

Mr. FULBRIGHT. Mr. President, in 1966 the Committee on Foreign Relations recommended, and the Senate approved, a $55 million annual ceiling on government military grants, sales, and ship loans to Latin America. This was subsequently increased to $85 million in conference. The committee report on that bill stated:

> The adoption of this further restriction on the size of the total program of military assistance should be effective in substantially lessening the flow of military equipment from the United States to Latin America and, hopefully, result in diverting budget funds now being spent by these countries for military purposes to civilian uses. This committee does not wish to be responsible for encouraging in any way arms races in Latin America. The Committee is not impressed with the argument that if the United States does not sell military equipment, the Latin Americans will buy it in Europe. One might as well argue for legalizing slot machines in the District of Columbia on the grounds that otherwise people will go to southern Maryland to gamble.

Seven years later the committee is still of the same view. And the arguments from the executive branch are the same—"If we don't sell to them, the French, British, or Russians will." Over these 7 years the ceiling has been increased, at the urging of the executive branch, to $100 million which, through use of a Presidential waiver, has been increased to $150 million for the last 2 years.

I wish to emphasize that commercial sales, outside Government channels, are not covered by the ceiling under existing law or under the bill approved by the committee. Both cover only U.S. Government transactions.

In order to waive the ceiling the President has had to find that "overriding requirements of the national security of the United States justify such a waiver." What possible overriding interests of our national security are there in allowing Brazil to buy F–5E's on easy-credit terms, which, if ever used, will likely be against Argentina—to whom we also plan to sell F–5E's?

S. 1443 takes a realistic view of the situation. It increases the ceiling to $150 million and continues the commercial sales exemption but eliminates the waiver authority. Under the bill a total of $198,000,000 in military grants and sales could be provided to Latin American countries each year, including commercial sales.

The pending amendment would also increase the ceiling to $150 million a year. But, in addition, it would allow the

President to waive the ceiling and increase it by 50 percent, to $225,000,000. On top of that, it would exempt cash sales made through Government channels, estimated at $47 million next year. Finally, it would also continue the exemption for the $48 million in commercial sales estimated for next year. Thus, under current estimates, it would allow military grants and sales of $330,000,000 in the coming fiscal year, more than three times the ceiling in existing law. It would be preferable not to have any ceiling at all than to have such a mockery on the statute books.

I would like to put the country-by-country list of expected sales in the RECORD, but it is classified. Again, the Senate is being asked to consider an important issue without being able to discuss the facts out in the open.

Mr. President, in much of Latin America we give countries economic aid which they put in one pocket only to take money out of another pocket and spend on useless military hardware. There is no external threat to Latin America. If war breaks out in Latin America it is almost certain that all parties will be using arms provided by the United States, as happened in the recent soccer war between Honduras and El Salvador.

In the coming fiscal year the executive branch proposes to sell eight Latin American countries $132 million in arms. And in the same year it plans to provide the same countries with $160 million in economic aid. It is no wonder that American taxpayers are disgusted with foreign aid. Why should our taxpayers be asked to pay for economic aid to these countries when they divert other resources to pay for arms which serve only as prestige symbols for generals and admirals?

The exectuive branch has taken the hard-sell route in Latin America. It is determined to meet the competition, even if it means our hard-pressed taxpayers put up the money for useless jet fighters on easy terms and, in addition, shell out the economic aid which helps enable the buying country to meet the payments. The American taxpayer ends up footing the bill twice. If these countries want to buy, let them do it through commercial channels. As to economic aid, let them make their case to the multilateral banks which are in a position to exercise some leverage on the national priorities of borrowers. The U.S. bilateral aid program is clearly ineffective in this respect. These countries should not be able to have the American taxpayers' cake and eat it, too.

The pending amendment would also allow an increase in the $40,000,000 ceiling on Africa now in the bill to $60,000,000, if the waiver authority requested is used. And it would also exempt cash sales. Yet the total estimated grants and government sales for Africa are estimated at $34,000,000 next year, $6,000,000 less than the ceiling now in the bill. The administration has made no case at all for increasing the ceiling.

I urge that the amendment be rejected.

I ask unanimous consent to have printed in the RECORD a table entitled "Regional Ceiling Data."

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

REGIONAL CEILING DATA

[In thousands of dollars]

	Fiscal year 1973	Fiscal year 1974
I. Latin America:		
1. Military assistance grants	$4,944	$10,735
2. Government credit sales	59,000	150,000
3. Government cash sales	69,000	47,000
4. Ship loans	3,600	
Total toward ceiling	136,541	207,735
5. Commercial sales	44,925	48,000
Total Latin America	181,466	255,735
II. Africa:		
1. Military grants	10,190	14,230
2. Government credit sales	16,100	18,000
3. Government cash sales	1,900	2,100
4. Ship loans		
Total toward ceiling	28,190	34,330
5. Commercial sales	18,700	19,950
Total Africa	46,890	54,280

Mr. FULBRIGHT. Mr. President, I see no point in belaboring the matter, other than to state that the committee bill allows a $150 million ceiling, which under existing law is a $100 million ceiling plus a right to a waiver of 50 percent, which comes out to $150 million.

The effect of the Senator's amendment would be to increase that ceiling to $225 million—in other words, $175 million plus a 50-percent waiver.

These ceilings apply only to Government actions, where the sale is through the Government either on a cash basis or a loan basis. The Senate has voted on these ceilings time and time again. Actually, this is retaining existing ceiling, except for the waiver the Senator adds, which increases it by $75 million.

The issue ought to be very clear as to whether we increase the arms sales program to increase the incentive for Latin American countries to increase purchases of arms. We give them, on the one hand, economic aid to help pay for the arms. That is what actually happens, not only in Latin America but in many other places, whether it is cash or credit sales: With one hand we sell them the arms and with the other give them the money to pay for them. So it is not a very profitable business, if you look at both sides of it. If you look at only the manufacturer of the equipment, the planes, he makes a profit, but in the long run the Government pays for it.

This, again, is simply a modest effort to restrict the amount of money the Government has to put up for military sales.

Mr. CHURCH. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. CHURCH. Is it not true that this bill does not in any way restrict or limit commercial sales of arms to any foreign nation?

Mr. FULBRIGHT. This bill affects no commercial sales that do not come through the Government. They can buy anything they want, that they can go get private financing or have the cash for, and there is no ceiling at all on that.

Mr. CHURCH. Is it not also true that so-called credit sales by the Government are subsidized sales?

Mr. FULBRIGHT. Yes. We perform the services, make the contracts, and do all of the business.

Mr. CHURCH. And the terms of the sale, including the interest rate, are actually such that they are subsidized by the American taxpayer?

Mr. FULBRIGHT. They are, indeed.

Mr. CHURCH. And the ceiling applies only to the subsidized sales over $150 million, unless the Senate wants to increase it?

Mr. FULBRIGHT. The Senator is correct.

Mr. BROCK. Mr. President, maybe I misunderstood. Will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. BROCK. Does the bill, as the Senator perceives it, include cash sales?

Mr. FULBRIGHT. Those handled by the Government. The Government is injected into it, it makes a contract, and it becomes a part of the Government program. It does not affect countries like Peru or country *X*, that go directly to the manufacturer and deal with it.

Mr. BROCK. It does put a ceiling on cash sales by the Government.

Mr. FULBRIGHT. By the Government, but not through commercial channels.

Mr. BROCK. Would the Senator not also agree that in point of fact, the Latin American countries, because of previous limitations, have shifted the bulk of their buying to other countries already, and that we are down to 13 percent of supplying their military goods today, out of 100 percent? Is that not so?

Mr. FULBRIGHT. I do not think that is accurate. Nobody knows——

Mr. BROCK. The figures I have indicate that they purchased $1.6 billion worth of military equipment over the last 5 years, of which only $31 million was sold by the United States.

Mr. FULBRIGHT. A lot of those sales we have lost were because their military equipment is cheaper. The French and the Swedes, for example, have produced cheaper planes than we have. Ours are better, I think, but more expensive. But there is no proof that we have as to why they have done this.

Mr. BROCK. Could it be possible that the cash sales limitation is a part of the problem?

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, how much time remains to the proponents?

The PRESIDING OFFICER. The time of the proponents has expired.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. PELL). The question is on agreeing to the amendment of the Senator from Wyoming (putting the question).

The nays appear to have it. The amendment is rejected.

Mr. McGEE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. PELL). The question is on agreeing to the

amendment of the Senator from Wyoming (Mr. McGEE). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Iowa (Mr. CLARK), are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS), is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Alaska (Mr. GRAVEL) would tach vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The Senator from Connecticut (Mr. WEICKER) is detained on official business.

The result was announced—yeas 34, nays 56, as follows:

[No. 234 Leg.]

YEAS—34

Aiken	Domenici	McGee
Allen	Dominick	Packwood
Baker	Fannin	Scott, Pa.
Bartlett	Fong	Sparkman
Beall	Goldwater	Stafford
Bellmon	Griffin	Stevens
Bentsen	Gurney	Taft
Brock	Hansen	Thurmond
Buckley	Helms	Tower
Cook	Hruska	Young
Curtis	Jackson	
Dole	Johnston	

NAYS—56

Abourezk	Hartke	Montoya
Bayh	Haskell	Moss
Bible	Hatfield	Muskie
Brooke	Hathaway	Nelson
Burdick	Hollings	Nunn
Byrd,	Huddleston	Pastore
Harry F., Jr.	Hughes	Pearson
Byrd, Robert C.	Humphrey	Pell
Cannon	Javits	Percy
Case	Long	Proxmire
Chiles	Magnuson	Randolph
Church	Mansfield	Ribicoff
Cotton	Mathias	Roth
Cranston	McClellan	Saxbe
Eagleton	McClure	Schweiker
Eastland	McGovern	Stevenson
Ervin	McIntyre	Symington
Fulbright	Metcalf	Talmadge
Hart	Mondale	Tunney

NOT VOTING—10

Bennett	Inouye	Weicker
Biden	Kennedy	Williams
Clark	Scott, Va.	
Gravel	Stennis	

So Mr. McGEE's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I want to congratulate the distinguished chairman of the Senate Foreign Relations Committee for his patient and thorough work.

I know how deeply he feels about the need to transform our foreign policy, particularly our military policies overseas. I am fully in agreement with him and admire him for the initiative he has taken.

S. 1443 is a wide-ranging bill that undertakes to enact a wide variety of reforms. The distingiushed chairman has explained them. I will confine myself to only a few of the most important features of the bill.

As long ago as 1965, the Senate Foreign Relations Committee voted to overhaul existing foreign aid—military and economic. But as the report accompanying S. 1443 states, each year the committee only "nibbled at the fringes" of foreign aid policy until the adoption of this bill.

Mr. President, by the end of this fiscal year, the United States will have paid out $182 billion in foreign aid since World War II, of which $80 billion is military or military-related. Unless Congress acts now, this outflow will go on—a billion here, a billion there.

Is this what President Nixon intended when he said in his second inaugural that—

The time has passed when America will make every other nation's conflict our own, or make every other nation's future our responsibility . . .?

I doubt it.

President Nixon's meetings with General Secretary Brezhnev last week show that in at least one important area—Soviet-American relations—he is ready to have the United States drop the role of world policeman and cold warrior.

That same adjustment to world realities should also be made in our military aid programs. The United States has already paid out $182 billion in foreign aid since World War II—$80 billion of it for cold war military purposes.

Twenty-eight years after the end of World War II, it is long past time that we lay aside old military aid policies and start afresh.

I am most pleased by the "fresh start" toward mutual nuclear arms reduction disclosed by White House Adviser Henry Kissinger last Thursday, June 21.

In a briefing on the second round of the Strategic Arms Limitation Talks—SALT—which began last November, Mr. Kissinger reported that negotiations with the Soviet Union include "reduction—of arms—as one of the objectives of the agreement and not simply limitation."

That is very much in line with an amendment that the distinguished Senator from Ohio (Mr. TAFT) and I introduced to last year's interim arms agreement with the Soviet Union. We proposed the launching of SART—Strategic Arms Reduction Talks—as part of the SALT negotiations.

The amendment became law on September 30, 1972.

Significantly, S. 1443 is not an administration bill. It was patiently and thoroughly researched and debated by Senator FULBRIGHT and the committee, and their staff. It represents a major congressional initiative and forms part of the overall effort to restore Congress' proper role in the initiation of national and international policy.

Mr. President, there seems to be a paradox in the administration's reaction to major reforms of this type in the area of foreign policy. For example, the Department of State's briefing paper on S. 1443 argues against the cuts in funding in the following terms:

A cut-back of this magnitude would be read throughout the world as signalling an abrupt shift in U.S. policy. Instead of facilitating an orderly transition to the goals of self-reliance inherent in the Nixon Doctrine, it would come as a severe jolt to our friends and allies and adversely affect stability and peace in the international community.

The paradox is this: While we are at war, as in Indochina, we are not supposed to undermine the President's negotiating authority; while we are at peace, we are not supposed to upset stability. So our hands are tied either way.

I think the Congress has grown beyond this kind of double talk.

Under the terms of S. 1443, military grant assistance—not sales—would be phased out over a 4-year period. In that interim, recipients of grant aid would be required to deposit in a special local currency account 25 percent of the value of grant military aid and excess defense articles. Those funds would be available for meeting local U.S. expenses, including international cultural and educational exchange.

Similar provisions govern military assistance advisory groups and missions. After July 1, 1977, no missions or groups would be established or continued unless specifically authorized by law, and unless the host country pays the cost.

Mr. President, I cannot help thinking that if we were setting up a military aid program for the first time, this is what we would want it to look like. Cost-sharing, specific authorization by law, full and frank disclosures by the executive branch, and careful oversight and review by the Congress—these are some of the important features of S. 1443 that should be part of all major pieces of foreign aid legislation passed by this body.

Mr. President, S. 1443 returns military aid to South Vietnam and Laos to the jurisdiction of the two foreign relations committees of the Congress. It does so by transferring funds for these countries from the DOD-funded military assistance service funded program to the military assistance program funded by the Foreign Assistance Act and hence by AID. This transfer is contained in sections 2109 and 3109.

Mr. President, there is really no excuse for making an exception for Laos and South Vietnam—but not Cambodia. This is simply one of those irrational quirks that sometimes develops over the course of legislative history. In a briefing paper designed to rebut the transfer of jurisdiction over South Vietnam and Laos back to where it belongs, the Department of State argues that—

MAP (the Military Assistance Program) is a peacetime program. Until peace in Southeast Asia is secure, Vietnam and Laos should remain under the Military Assistance Service Funded program.

But this is merely military doubletalk. For if the argument is that the continuation of war justifies the status quo, then what about Cambodia? It is Cambodia, after all, where the fighting and bombing are currently most intense. So I think we should support the provisions of S.

1443 on the grounds of administrative commonsense.

Mr. President, S. 1443 represents a long overdue effort to bring together the various military aid programs and to get a grip on them as a whole. Here is a quote from a Library of Congress study dated January 9, 1973, entitled "International Security Assistance":

Depending on the choice of definitions, the total value of U.S. military assistance in FY 1972 could vary anywhere from a low figure of about $500 million to a top figure of over $8 billion. There are at least 14 U.S. programs involving the transfer of resources to foreign governments for purposes related to the defense requirements of this country. The variety and complexity of these programs and the different ways in which they are funded and administered have left many people confused and critical.

Here are some examples of the wide gaps in military aid estimates:

The Library of Congress figure is $8.7 billion for fiscal year 1972;

The Senate Appropriations Committee figure is $6.2 billion for fiscal year 1972; and

An AID report compiled in response to a Case-Proxmire amendment lists $5.3 billion for fiscal year 1972.

A major cause of these discrepancies is disagreement over what constitutes military aid. If the Army has weapons which it no longer uses and sells them for cash, is that aid or not? What if we loan the use of a ship to another country for 6 months? What if we turn over to a host country a base facility, such as a barracks building, that we are no longer going to use? These are legitimate questions.

Mr. President, S. 1443 attempts to answer these questions and to define just what constitutes aid. For example, the legal value of excess defense articles—usually one-third the original cost—would be counted under grant military aid, and not as something extra.

Mr. President, the fragmentation of authority and control over the various military aid programs led the Comptroller General of the United States, Elmer B. Staats, to remark in 1971:

I believe it would be a fair conclusion on our part . . . that there hasn't been anyone looking at the total program of military assistance abroad.

In fact, legislation submitted by the Nixon administration in April 1971, included provisions aimed at revamping and rationalizing the military aid apparatus. For various reasons, that bill died in committee. But the need to coordinate programs under the general authority of the Department of State rather than the Pentagon is as great as it ever was.

There is a corresponding need for centralized jurisdiction here in the Congress. As matters now stand, major responsibility is assigned to at least three authorizing committees, so that Congress in turn has difficulty in understanding the dimensions of our military aid program as a whole. At a time when Congress can and should adhere to the $268.7 billion budget ceiling, the widespread and confusing dispersal of military aid transactions makes it that much harder for us to deal responsibly with budgetary needs.

Mr. President, existing military aid programs are popular neither with the Congress nor with the public at large. Vast sums of taxpayers' money are spent to arm nations against each other. Dictators abroad frequently use our weapons to put down domestic opposition.

The argument that these countries would buy elsewhere, and that S. 1443 would hurt our balance of payments, does not convince me. The bill places no limits on private commercial arms sales; it only seeks to get the U.S. Government out of the arms sales business. And as for the phaseout of grant aid, the bill permits future aid where specifically authorized by law and provided that the host country pays the cost. Would we really want the U.S. Government to pass out weapons all over the world without these safeguards? I think not.

Mr. President, the time has passed when Congress is willing to hand the President a signed check to use as he likes. This "fill-in-the-blanks" attitude is not consistent with the new Congress.

Mr. HATFIELD. Mr. President, on several occasions I have made clear my total opposition to military aid and assistance. I believe that the entire program is neither necessary for our security nor wise foreign policy. Further, it diverts the resources of other nations and our own resources for foreign assistance to military purposes in the face of demanding human needs that are unmet.

This bill, S. 1443, with the amendments which have been adopted, makes some steps toward changing our policy, but not nearly enough. Certain major provisions of the bill have been significantly undercut by floor amendments.

Because of my overall opposition to programs of military aid and assistance, throughout the world I will vote against final passage.

The PRESIDING OFFICER (Mr. BURDICK). The bill is open to further amendment. If there be no further amendment to be proposed the question is on the engrossment and third reading of the bill.

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

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, may I take this moment to say that this is the first time I have ever voted against a military assistance bill.

I do this because I think it marks the end of U.S. involvement in military assistance. I think it is a signal to the rest of the world that we are now pulling in our horns. I will have no part of it.

Mr. TOWER. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I yield.

Mr. TOWER. I associate myself with the statement of the Senator from Arizona. I shall vote against the bill for the same reason.

Mr. FULBRIGHT. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has now been yielded back.

The bill having been read the third time, the question is, Shall the bill, S. 1443, 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. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CLARK), and the Senator from Delaware (Mr. BIDEN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The result was announced—yeas 50, nays 42, as follows:

[No. 235 Leg.]

YEAS—50

Aiken	Haskell	Muskie
Bayh	Hathaway	Packwood
Bellmon	Hollings	Pastore
Bentsen	Huddleston	Pearson
Bible	Hughes	Pell
Brooke	Humphrey	Percy
Byrd, Robert C.	Javits	Randolph
Case	Kennedy	Ribicoff
Chiles	Long	Saxbe
Church	Mansfield	Schweiker
Cranston	Mathias	Stafford
Eagleton	McGee	Stevenson
Ervin	McGovern	Symington
Fong	McIntyre	Taft
Fulbright	Metcalf	Tower
Hart	Mondale	Tunney
Hartke	Moss	

NAYS—42

Abourezk	Domenici	McClure
Allen	Dominick	Montoya
Baker	Eastland	Nelson
Bartlett	Fannin	Nunn
Beall	Goldwater	Proxmire
Brock	Griffin	Roth
Buckley	Gurney	Scott, Pa.
Burdick	Hansen	Sparkman
Byrd, Harry F., Jr.	Hatfield	Stevens
	Helms	Talmadge
Cannon	Hruska	Thurmond
Cook	Jackson	Weicker
Cotton	Johnston	Young
Curtis	Magnuson	
Dole	McClellan	

NOT VOTING—8

Bennett	Gravel	Stennis
Biden	Inouye	Williams
Clark	Scott, Va.	

So the bill (S. 1443) was passed, as follows:

S. 1443

An act to authorize the furnishing of defense articles and services to foreign countries and international organizations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into parts, chapters, and sections according to the following table of contents, may be cited as the "Foreign Military Sales and Assistance Act":

TABLE OF CONTENTS

PART I—GENERAL PROVISIONS

Chapter 1—Coordination; Definitions; Certain Authorizations; Eligibility

Sec. 101. Coordination.
Sec. 102. Definitions.
Sec. 103. Prior authorizations.
Sec. 104. Eligibility.

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PART I—GENERAL PROVISIONS

Chapter 1—Coordination; Definitions; Certain Authorizations; Eligibility

COORDINATION

SEC. 101. (a) Under the direction of the President, the Secretary of State shall be responsible for the direction and continuous supervision in carrying out the provisions of this Act. The responsibilities of the Secretary shall include, but not be limited to, determining whether sales, credit sales, or guaranties shall be made and other assistance (and the kind thereof) shall be provided a foreign country or international organization under this Act, and, if so, the amount or value thereof.

(b) The President shall prescribe appropriate procedures to assure effective direction and control by the Chief of the United States Diplomatic Mission in each country with respect to all activities and programs carried out under this Act within that country. The Chief of the Diplomatic Mission shall insure that sales, credit sales, and guaranties made and other assistance provided under this Act are coordinated with political and economic considerations, and he shall be responsible for the submission of all recommendations pertaining to such sales, credit sales, guarantees, and other assistance in that country.

(c) The Secretary may advance to or reimburse an agency of the United States Government, out of appropriations made available to the Secretary under this Act, such sums as he considers appropriate for expenditures to be incurred by that agency in carrying out any purpose of this Act which has been delegated to that agency and for which the appropriation is made. Any funds so advanced may be withdrawn by the Secretary, but only upon certification of the head of the agency that such funds to be withdrawn are no longer necessary to pay for obligations so incurred.

DEFINITIONS

SEC. 102. For purposes of this Act—

(1) "agency of the United States Government" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government;

(2) "armed forces" of the United States means the Army, Navy, Air Force, Marine Corps, and Coast Guard;

(3) "commodity" includes any material, article, supply, goods, or equipment furnished for nonmilitary purposes;

(4) "defense article" includes—

(A) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;

(B) any property, installation, commodity, material, equipment, supply, or goods furnished for military purposes;

(C) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this subsection; or

(D) any component or part of any article listed in this subsection; but shall not include merchant vessels or, as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, byproduct material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving restricted data;

(5) "defense information" includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service, but shall not include restricted data as defined by the Atomic Energy Act of 1954, as amended, and data removed from the restricted data category under section 142d of that Act;

(6) "defense service" includes military training, and any service, test, inspection, repair, publication, or technical or other assistance, or defense information furnished for military purposes;

(7) "excess defense articles" mean the quantity of defense articles owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales requirements, or pursuant to a military assistance or sales order, which are excess to the needs of the Department of Defense for other than military assistance purposes at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act;

(8) "function" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity;

(9) "military training" includes formal or informal instruction, for military purposes of foreign students by officers or employees of the United States, contrast technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice to foreign military units and forces;

(10) "officer or employee" means civilian personnel and members of the Armed Forces of the United States Government;

(11) "services" include any service, repair, training of personnel, or technical or other assistance or information furnished for nonmilitary purposes;

(12) "surplus agricultural commodity" means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for United States dollars, as determined by the Secretary of Agriculture; and

(13) "value" means—

(A) with respect to an excess defense article, the actual value of the article, but not less than 33⅓ percent of the amount the United States paid at the time the defense article was acquired by the United States;

(B) with respect to a nonexcess defense article delivered from inventory to foreign countries or international organizations under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value, plus a proportional share of the administrative expenses incurred by the United States Government in supplying such article;

(C) with respect to a nonexcess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such article plus a proportional share of the administrative expenses incurred by the United States Government, in supplying such article; and

(D) with respect to a defense service, the cost to the United States Government of such service plus a proportional share of the administrative expenses incurred by the United States in providing the service; except that the pay and allowances of United States Government personnel shall not be included as administrative expenses for purposes of chapter 21 of this Act.

PRIOR AUTHORIZATIONS

SEC. 103. (a) Notwithstanding any provision of law enacted before the effective date of this Act, no money appropriated to carry

out any provision of part II or part III of this Act shall be available for obligation or expenditure—

(1) unless the appropriation thereof has been previously authorized by law; or

(2) in excess of an amount previously prescribed by law.

(b) To the extent that legislation enacted after the making of an appropriation to carry out any provision of part II or part III of this Act authorizes the obligation or expenditure thereof, the limitation contained in subsection (a) shall have no effect.

(c) The provisions of this section shall not be superseded except by a provision of law enacted after the date of enactment of this subsection which specifically repeals or modifies the provisions of this section.

(d) The provisions of this section shall not apply to, or affect in any manner permanent appropriations, trust funds, and other similar accounts administered as authorized by law.

ELIGIBILITY

SEC. 104. (a) No defense article may be furnished to any foreign country under this Act unless that country shall have agreed that—

(1) it will not, without the consent of the President—

(A) permit any use of such article by anyone not an officer, employee, or agent of that country;

(B) transfer, or permit any officer, employee, or agent of that country to transfer such article by gift, sale, or otherwise; and

(C) use or permit the use of such article for purposes other than those for which furnished; and

(2) it will maintain the security of such article, and will provide substantially the same degree of security protection afforded to such article by the United States Government.

(b) In considering a request for approval of any transfer of a defense article to another country, the President shall not give his consent to the transfer unless (1) the United States itself would transfer the defense article under consideration to that counrty, and (2) prior to the date he intends to give his consent to the transfer, the President notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended consent, the justification for giving such consent, the defense article for which he intends to give his consent to be so transferred, and the foreign country to which that defense article is to be transferred.

(c) The President shall not give his consent to the transfer of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war unless (1) the foreign country requesting consent to transfer agrees to demilitarize such defense article prior to transfer, or (2) the proposed recipient foreign country provides a commitment in writing to the United States Government that it will not transfer such defense article, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President.

(d) No sophisticated weapons, including sophisticated jet aircraft or spare parts and associated ground equipment for such aircraft, shall be furnished under this or any other Act to any foreign country on and after the date that country violates any agreement it has made in accordance with subsection (a) of this section or any other provision of law requiring similar such agreements.

PART II—MILITARY SALES, CREDIT SALES, AND GUARANTIES

Chapter 11—Authorizations

REDUCTION IN GOVERNMENT PARTICIPATION

SEC. 1101. In order to reduce the role of the United States Government in the furnishing of defense articles and defense services to foreign countries and international organizations, and return such transactions to commercial channels, the United States Government shall reduce its sales, credit sales, and guaranties of such articles and defense service as soon as, and to the maximum extent, practicable.

CASH SALES FROM STOCK

SEC. 1102. The President may sell defense articles from the stocks of the Department of Defense and defense services of the Department of Defense to any foreign country or international organization if such country or international organization agrees to pay not less than the value thereof in United States dollars. Payment shall be made in advance or, as determined by the President to be in the best interests of the Untied States, within a reasonable period not to exceed 120 days after the delivery of the defense articles or the rendering of the defense services.

PROCUREMENT FOR CASH SALES

SEC. 1103. (a) Except as otherwise provided in this section, the President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale for United States dollars to any foreign country or international organization if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, (2) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due, and (3) to pay the United States Government an amount equal to the administrative costs incurred by the Government in procuring such defense articles and defense services under this section.

(b) The President may, when he determines it to be in the national interest, accept a dependable undertaking of a foreign country or international organiztaion with respect to any such sale, to make full payment within 120 days after delivery of the defense articles, or the rendering of the defense services. Appropriations available to the Department of Defense may be used to meet the payments required by the contracts for the procurement of defense articles and defense services and shall be reimbursed by the amounts subsequently received from the country or international organization to whom articles or services are sold.

(c) No sales of defense articles shall be made to the government of any economically developed country under the provisions of this section unless such articles are not generally available for purchase by such country from commercial sources in the United States.

CREDIT SALES

SEC. 1104. (a) Except to the extent otherwise provided in this section, the President is authorized to finance procurements of defense articles and defense services by less-developed foreign countries on terms requiring the payment of the United States Government in United States dollars of—

(1) the value of such articles or services within a period not to exceed 10 years after the delivery of such articles or the rendering of such services; and

(2) interest, on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that (A) the Export-Import Bank of the United States charges for obligations of similar purposes and comparable maturities, or (B) the United States Government pays on outstanding marketable obligations of comparable maturity, whichever is greater.

(b) (1) For the period from July 1, 1973, through June 30, 1975, the President is authorized to finance such procurements by any foreign country receiving defense articles and defense services during fiscal year 1973 under the Foreign Assistance Act of 1961 on terms providing for the payment of the value of such articles or services in the currency of that country and without the payment of any interest. The total amount of procurements by a foreign country financed under this paragraph shall not exceed in any fiscal year the total amount of such articles and services (other than military training) furnished that country under chapter 2 of part II of that Act during fiscal year 1973.

(2) For the period from July 1, 1975, through June 30, 1978, the President is authorized to finance procurements by any foreign country receiving defense articles or defense services during fiscal year 1973 under the Foreign Assistance Act of 1961, on terms providing for the payment, in the currency of the country (to the extent that the President determines that payment in that currency is needed to pay for all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961), (A) of the value of such articles and services but not to exceed the amount of such articles and services (other than military training) furnished that country in fiscal year 1973 under chapter 2 of part II of the Foreign Assistance Act of 1961, and (B) at a rate of interest of not less than 3 percent a year.

GUARANTIES

SEC. 1105. (a) The President may guarantee any individual, corporation, partnership, or other juridical entity doing business in the United States (excluding United States Government agencies) against political and credit risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to less-developed foreign countries. Guaranties shall be made under this section whenever possible rather than credit sales under section 1103 of this Act, in order to minimize outlays by the United States Government in carrying out this part. Fees shall be charged for such guaranties.

(b) The President may sell to any individual, corporation, partnership, or other juridical entity (excluding agencies of the United States Government) promissory notes issued by less-developed foreign countries as evidence of their obligations to make repayments to the United States on account of credit sales financed under section 1104 of this Act, and may guarantee payment thereof.

(c) Funds made available under section 1106 of this Act shall be obligated in an amount equal to 25 percent of the contractual liability related to any guaranty issued under this section, and all the funds so obligated shall constitute a single reserve for the payment of claims under such guaranties. Any funds so obligated which are deobligated from time to time during any current fiscal year as being in excess of the amount necessary to maintain a fractional reserve of 25 percent of the contractual liability under outstanding guaranties shall be transferred to the general fund of the Treasury. Any guaranties issued hereunder shall be backed by the full faith and credit of the United States.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1106. There are authorized to be appropriated to the Secretary of State to carry out this part not to exceed $200,000,000 for the fiscal year 1974.

CONGRESSIONAL APPROVAL

SEC. 1107. (a) Prior to making any sale, credit sale, or guaranty to any country under this part exceeding $25,000,000, and prior to making any sale, credit sale, or guaranty to any country under this part in any fiscal year, the amount of which, when added to all other sales, credit sales, and guaranties made during such year to that country will exceed $50,000,000 for that fiscal year, the President shall transmit a written report to the Senate and the House of Representatives on the same day giving a complete explanation with respect to such proposed sale, credit sale, or guaranty. Any such report shall not include an explanation relating to more than one proposed sale, credit sale, or guaranty.

(b) (1) The President may make such sale, credit sale, or guaranty thirty days after the report has been so transmitted unless, before the end of the first period of thirty calendar days of continuous session of Congress after the date on which the report is transmitted, either House adopts a resolution disapproving the sale, credit sale, or guaranty with respect to which the report is made.

(2) For purposes of paragraph (1) of this subsection—

(A) the continuity of a session is broken only by an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

(c) Subsections (d) through (k) of this section are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(d) For purposes of subsections (c) through (k) of this section, "resolution" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the —— does not approve the (sale, credit sale, guaranty) for —— and explained in the report transmitted to Congress by the President on ———, 19—.", the appropriate phrase within the parentheses being selected, the first blank space therein being filled with the name of the resolving House, the second blank space therein being filled with the name of the foreign country on whose behalf the sale, credit sale, or guaranty is made, and the other blank spaces therein being appropriately filled with the date of the transmittal of the report; but does not include a resolution specifying more than one sale, credit sale, or guaranty.

(e) If the committee, to which has been referred a resolution disapproving a sale, credit sale, or guaranty, has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same sale, credit sale, or guaranty which has been referred to the committee.

(f) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same sale, credit sale, or guaranty), and debate thereon is limited to not more than one hour to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(g) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same sale, credit sale, or guaranty.

(h) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a sale, credit sale, or guaranty, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(i) Debate on the resolution is limited to not more than two hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(j) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a sale, credit sale, or guaranty, and motions to proceed to the consideration of other business, are decided without debate.

(k) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a sale, credit sale, or guaranty are decided without debate.

Chapter 13—Ceilings

AGGREGATE CEILINGS

SEC. 1301. The aggregate total of credits, or participations in credits, extended pursuant to this part (excluding credits covered by guaranties issued under section 1105(b) of this Act) the face amount of guaranties issued under section 1705(a) and (b) of this Act, and the amount of assistance extended by the Export-Import Bank of the United States to finance notes of defense articles and defense services to less-developed countries shall not exceed $700,000,000 for the fiscal year 1974, of which amount not less than $300,000,000 shall be available to Israel only.

REGIONAL CEILINGS

SEC. 1302. (a) The aggregate of the total amount of military assistance under part II of this Act, of cash sales under sections 1102 and 1103 of this Act, of credits, or participations in credits, financed under section 1105 (b) of this Act, of the face amount of contracts of guaranty issued under section 1105 (a) and (b) of this Act, and of transfers of vessels and boats under this Act, shall, excluding training, not exceed $150,000,000 in each fiscal year for Latin American countries.

(b) The aggregate of the total amount of military assistance under part II of this Act, of cash sales under sections 1102 and 1103 of this Act, of credits, or participations in credits, financed under section 1104 of this Act (excluding credits covered by guaranties issued under section 1105(b) of this Act), and of the face amount of contracts of guaranty issued under section 1105 (a) and (b) of this Act, shall, excluding training, not exceed $40,000,000 in each fiscal year for African countries.

Chapter 15—Administrative and Fiscal Provisions

PAYMENTS RECEIVED

SEC. 1501. (a) Cash payments received under sections 1102 and 1103 of this Act and advances received under section 1104 of this Act shall be available solely for payments to suppliers (including the military departments) and refunds to purchasers and shall not be available for financing credits and guaranties.

(b) Amounts received from foreign governments as repayments for credits extended under section 1104 of this Act, amounts received from the disposition of instruments evidencing indebtedness, and other collections (including fees and interest) shall be transferred to the miscellaneous receipts of the Treasury.

CREDIT STANDARDS

SEC. 1502. The President shall establish standards and criteria for credit and guaranty transactions under sections 1104 and 1105 of this Act in accordance with the provisions of this Act.

PART III—MILITARY ASSISTANCE

Chapter 21—Military Grant Assistance

GENERAL AUTHORITY

SEC. 2101. The President is authorized to furnish military grant assistance under this chapter on such terms and conditions as he may determine, to any foreign country which is otherwise eligible to receive such assistance, by—

(1) acquiring from any source and providing any defense article or defense service (other than military training); and

(2) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to United States missions in foreign countries to perform duties of a noncombatant nature in carrying out duties (other than military training) in carrying out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 2102. (a) There are authorized to be appropriated to the Secretary of State to carry out this chapter, not to exceed $270,000,000 for fiscal year 1974, which sum shall be allocated and made available to or for each of the following foreign countries and not in excess of the amount specified for that country:

Country:	*Amount*
(1) Republic of Korea	$119,000,000
(2) Turkey	49,000,000
(3) Thailand	34,000,000
(4) Jordan	30,000,000
(5) Philippines	13,000,000
(6) Indonesia	13,000,000
(7) Ethiopia	7,000,000
(8) Spain	5,000,000

(b) Of the funds appropriated to the Secretary under subsection (a) of this section for fiscal year 1974, not to exceed $25,000,000 may be made available to provide excess defense articles to foreign countries and international organizations not referred to in such subsection (a).

CONDITIONS OF ELIGIBILITY

SEC. 2103. (a) In addition to the provisions of section 104 of this Act and such other provisions as the President may require, no defense article shall be furnished to any foreign country under this chapter unless that country shall have agreed that—

(1) it will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of any such article;

(2) unless the President consents to other disposition, it will return to the United States Government for such use or disposi-

tion as the President considers in the best interests of the United States, such article which is no longer needed for the purpose for which furnished; and

(3) any funds received by the country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter, will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

(b) Any foreign country which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act, in substantial violation of the provisions of this chapter or any agreements entered into under any of such Acts shall be immediately ineligible for further assistance.

EXCESS DEFENSE ARTICLES

SEC. 2104. (a) The value of any excess defense article furnished under this chapter to a foreign country or international organization by any agency of the United States Government shall be considered to be an expenditure made from funds appropriated under section 2102 of this Act. Unless such agency certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is canceled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) to the appropriation made under section 2102 of this Act for the current fiscal year upon cancellation of the order. Such sum shall be transferred to the appropriation made under section 2102 of this Act for the current fiscal year, upon delivery of such article, if at the time of delivery the stock status of the article is determined, in accordance with section 102 (7) and (13) of this Act, to be nonexcess.

(b) Excess defense articles shall be provided whenever possible rather than providing such articles by the procurement of new items.

SPECIAL MILITARY GRANT ASSISTANCE ACCOUNTS

SEC. 2105. (a) Except as otherwise provided in this section, no military grant assistance shall be furnished under this chapter to a foreign country unless the country agrees—

(1) to deposit in a special account established by the United States Government the following amounts of currency of that country:

(A) in the case of any excess defense article to be given to that country, an amount equal to 10 percent of the value of the article, as determined by the Secretary of State, at the time the agreement to give the article to the country is made; and

(B) in the case of a grant of any other kind of military assistance to be made to that country, an amount equal to 10 percent of each such grant; and

(2) to allow the United States Government to use such amounts from that special account as may be determined, from time to time, by the President to be necessary to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

(b) The provisions of this section shall not apply in any case in which military grant assistance is furnished to—

(1) a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that grant assistance, or

(2) South Vietnam, Laos, or Cambodia.

(c) The President may waive any amount of currency of a foreign country required to be deposited under subsection (a) (1) of this section if he determines that the United States Government will be able to pay all of its official costs payable in the currency of that country enumerated under subsection (a) (2) of this section without the deposit of such amount and without having to expend United States dollars to purchase currency of that country to pay such costs.

(d) In no event shall any foreign country be required, under this section, to make deposits in a special account aggregating more than $20,000,000 in any one year.

MILITARY ASSISTANCE INFORMATION

SEC. 2106. Notwithstanding any other provision of law, that portion of any record showing the name of any foreign country or international organization and the amount of military assistance intended to be provided, or that has been provided, by the United States to such country or organization for any fiscal year under this or any other law shall be made available to the public, and that portion of the record shall not be withheld from public disclosure by designating such record as classified information.

SPECIAL MILITARY ASSISTANCE REPORT

SEC. 2107. Not later than January 31, 1974, the President shall transmit to Congress a report on all military assistance agreements entered into under this chapter, chapter 2 of part II of the Foreign Assistance Act of 1961, and prior comparable provisions of law and which are in effect as of December 31, 1973. Such report shall list those agreements which the President believes should be continued beyond the date such assistance is to be terminated under the provisions of this chapter and include a detailed justification for continuing each such agreement.

AUTHORIZATIONS FOR SOUTH VIETNAM, LAOS, AND CAMBODIA

SEC. 2108. (a) (1) There are authorized to be appropriated to the Secretary of State such sums as may be necessary to provide armaments, munitions, and war materials for South Vietnam and Laos under this chapter.

(2) The President may order armaments, munitions, and war materials from the stocks of the Department of Defense to carry out this subsection, subject to subsequent reimbursement therefor from subsequent appropriations available under this subsection. The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under this subsection.

(b) There are authorized to be appropriated to the Secretary of State not to exceed $150,000,000 for fiscal year 1974 to provide assistance to Cambodia under this chapter.

Chapter 23—Military Training

GENERAL AUTHORITY

SEC. 2301. The President is authorized to furnish, on such other terms and conditions as the President may determine, military training to any foreign country or international organization.

AUTHORIZATION OF APPROPRIATIONS

SEC. 2302. There are authorized to be appropriated to the Secretary of State, to carry out the provisions of this chapter, not to exceed $25,000,000 for fiscal year 1974.

SPECIAL MILITARY TRAINING ACCOUNTS

SEC. 2303. (a) Except as otherwise provided in this section no military training may be furnished under this chapter to a foreign country unless that country agrees—

(1) to deposit in a special account established by the United States Government amounts of currency of that country equal to 15 percent of the cost of the military training furnished; and

(2) to allow the United States Government to use such amounts from that special account as may be determined, from time to time, by the President to be necessary to pay all official costs of the United States Goverment payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

(b) The provisions of this section shall not apply in any case in which military training is furnished to—

(1) a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that training if the Senate has given its advice and consent to such agreement; or

(2) South Vietnam, Laos, or Cambodia.

RESTRICTION ON TRAINING FOREIGN MILITARY STUDENTS

SEC. 2304. The number of foreign military students to be trained in the United States in any fiscal year, out of funds appropriated pursuant to this chapter, may not exceed a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal years.

Chapter 25—Supporting Assistance

GENERAL AUTHORIZATION

SEC. 2501. The President is authorized to furnish supporting assistance to foreign countries, eligible to receive assistance under this Act on such terms and conditions as he may determine, in cases in which important security interests of the United States are involved.

AUTHORIZATION OF APPROPRIATIONS

SEC. 2502. (a) There are authorized to be appropriated to the President to carry out this chapter not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel and not less than $65,000,000 shall be available solely for Jordan.

Country:		*Amount*
(1)	Israel	$50,000,000
(2)	Jordan	35,000,000
(3)	Thailand	7,000,000
(4)	Spain	3,000,000

(b) No part of any appropriation made available to carry out this or any other law shall be used to conduct any police training or related program for a foreign country.

PART IV—MISCELLANEOUS PROVISIONS

Chapter 31—General Limitations

TRANSFERS OF MILITARY VESSELS AND BOATS

SEC. 3101. (a) Notwithstanding any other provision of law, no vessel or boat of the United States Government (including, but not limited to, any battleship, aircraft carrier, cruiser, destroyer, or submarine) may be sold, loaned, leased, given, or transferred by any other means to a foreign country or international organization only in accordance with the provisions of this Act and, in the case of any battleship, aircraft carrier, cruiser, destroyer, or submarine, only if such transfer is specifically authorized by law.

(b) (1) Any such sale, loan, lease, gift, or

transfer of a noncombatant type vessel or boat may be made only—

(A) if, after the terms, price, and conditions of any proposed offer to dispose have been published in the Federal Register, members of the United States fishing industry, States and political subdivisions thereof, and United States educational and scientific institutions are given an opportunity to acquire any vessel or boat on the same terms, price and conditions, and no qualified bid is received within a reasonable period of time determined by the head of the agency; and

(B) if no qualified bid is received, only if the head of the agency of the United States Government making the disposition obtains satisfactory assurances that the vessel or boat will not be used in any way in competition with the United States fishing industry in fishing, fishing related, or fishing supported activities.

(2) The appropriate agencies of the United States Government are authorized and directed to carry out the provisions of paragraph (1) (A) of this subsection and to issue the necessary rules and regulations. They shall also require that bids be received within a set time period.

(3) No lease, loan, or other agreement previously entered into between the United States and any foreign country or international agency for any noncombatant type vessel or boat shall be renewed or extended except in conformity with paragraph (1) (B) of this subsection unless the lease, loan, or other agreement provides for its renewal or extension upon the same terms as the original lease, loan, or other agreement.

(c) No vessel or boat may be sold, loaned, leased, given or transferred by any other means to any foreign country or international organization unless that country or organization agrees prior to any such transfer that—

(1) the vessel or boat will not be used to interfere in any way with the normal fishing operations of any United States fishing vessel that is operating in any area claimed as territorial seas or fishery management zone which is not recognized as such, or on the high seas; and

(2) if any such transferred vessel or boat is so used, the vessel or boat will be returned to the United States Government.

In the event any such transferred vessel or boat is used by a foreign country or international organization to interfere in any way with the normal fishing operations of any United States fishing vessel that is operating in any area claimed as territorial seas or fishery management zone which is not recognized as such or on the high seas, no other vessel or boat shall thereafter be transferred by any means to that country or organization unless the Secretary of State is satisfied that such country or organization will no longer so use any such vessel or boat.

USE OF UNITED STATES ARMED FORCES

SEC. 3102. The making of any sale, credit sale, or guaranty, or the furnishing of any assistance, under this Act shall not be construed as creating a new commitment or as affecting any existing commitment to use Armed Forces of the United States for the defense of any foreign country.

FAILURE TO PROVIDE REQUESTED INFORMATION

SEC. 3103. (a) None of the funds made available pursuant to the provisions of this Act shall be used to carry out any provision of this Act in any country or with respect to any project or activity after the expiration of the 35-day period which begins on the date the General Accounting Office or any committee of the Congress charged with considering legislation, appropriations, or expenditures under this Act has delivered to the office of the head of any agency of the United States Government carrying out such provision 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 the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee, 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 agency or to any communication that is directed by any such officer or employee to the President.

PROCUREMENT

SEC. 3104. (a) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world, which outweigh the economic or other advantages to the United States of less costly procurement outside the United States, and only if the price of any commodity procured in bulk is lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(c) In providing for the procurement of any agricultural commodity or product thereof available for disposition under the Agricultural Trade Development and Assistance Act of 1954, as amended, for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

(d) In providing assistance in the procurement of commodities in the United States, the United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II, except that in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

(e) No funds made available under this Act shall be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity.

(f) The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars. Dollar funds made available under this Act shall not be expended for goods and services when United States-owned foreign currencies are available for such purposes unless the administrative official approving the voucher certifies as to the reason for the use of dollars in each case. The President shall also take all appropriate steps to assure that, to the maximum extent possible, countries receiving assistance under this Act contribute local currencies to meet the cost of contractual and other services rendered in conjunction with such assistance.

SMALL BUSINESS

SEC. 3105. Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds.

SHIPPING ON UNITED STATES VESSELS

SEC. 3106. The ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954, as amended, shall not be governed by the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended, or any other law relating to the ocean transportation of commodities on United States flag vessels.

TERMINATION OF ASSISTANCE

SEC. 3107. Assistance (including sales) provided under any section of part II or part III of this Act, may, unless sooner terminated by the President, be terminated by concurrent resolution of Congress.

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SEC. 3108. Section 104(c) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out the semicolon at the end of such section and inserting in lieu thereof a comma and the following: "except that no agreement may be entered into under this subsection (c) unless such agreement has been specifically authorized by legislation enacted after the date of enactment of the Foreign Military Sales and Assistance Act;".

SOUTH VIETNAM, LAOS, AND CAMBODIA

SEC. 3109. (a) After June 30, 1973, no sale, credit sale, or guaranty of any defense article or defense service shall be made, or any military assistance (including supporting assistance) furnished to South Vietnam or Laos directly or through any other foreign country unless that sale, credit sale, or guaranty is made, or such assistance is furnished, under this Act. The provisions of this subsection shall not apply to funds obligated prior to July 1, 1973.

(b) Any sale, credit sale, or guaranty made, or assistance provided under this Act to South Vietnam, Laos, or Cambodia shall be made or furnished with the objective of bringing about peace in Indochina and strict implementation of the cease-fire agreements in Vietnam and Laos and any cease-fire agreement that may be reached in the future with respect to Cambodia.

(c) Armaments, munitions, and war materials may be provided to South Vietnam and Laos under any provision of this Act only for the purpose of replacing, on the basis of piece for piece and with armaments, munitions, and war materials of the same characteristics and properties, those armaments, munitions, and war materials destroyed, damaged, worn out, or used up (1) in the case of South Vietnam, after January 27, 1973, and which are included on lists previously

furnished by the Government of South Vietnam to the International Commission of Control and Supervision for Vietnam, and (2) in the case of Laos, after February 21, 1973, and which are included on lists previously furnished by the Government of Laos to the International Commission of Control and Supervision for Laos.

(d) If a cease-fire agreement is entered with respect to Cambodia, then, commencing with the date such agreement becomes effective, armaments, munitions, and war materials shall be provided Cambodia under this Act only and strictly in accordance with the provisions of such agreement.

(e) Armaments, munitions, and war materials may be provided to South Vietnam without regard to the provisions of subsection (c) of this section if the President finds and reports to Congress that the Agreement on Ending the War and Restoring Peace in Vietnam, signed in Paris on January 27, 1973, is no longer in effect. No armaments, munitions, or war materials may be provided in accordance with this subsection, however, until the President has reported such finding to Congress.

(f) The President shall submit to Congress within 30 days after the end of each quarter of each fiscal year, a report on (1) the nature and quantity of all types of foreign assistance provided by the United States Government to South Vietnam, Laos, and Cambodia under this or any other law, (2) the number and types of United States personnel present in, or who are involved in providing such assistance to, such countries and who are paid directly or indirectly with funds of the United States Government, and (3) the general status of the implementation of all cease-fire agreements with respect to Indochina. For purposes of this subsection, "foreign assistance" and "provided by the United States Government" have the same meanings given those terms under section 3301(d) of this Act.

ACCESS TO CERTAIN MILITARY BASES ABROAD

SEC. 3110. None of the funds authorized to be appropriated by this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

(2) personnel of the United States carry out military operations from such base; unless and until the President has determined, and informed the Congress in writing, that the government of such country has, consistent with security, authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base.

AID TO GREECE

SEC. 3111. The Congress declares that it is the policy of the United States Government to provide military assistance and military sales, credit sales, and guaranties to or for the Government of Greece only when that government fulfills its obligations under the North Atlantic Treaty, including both adherence to the political principles stated in the preamble to the Treaty and the maintenance of its capability to perform common defense functions assigned under the current North Atlantic Treaty Organization defense plans. Therefore, no military assistance and no sales, credit sales, or guaranties shall be provided to or for the Government of Greece under this or any other law on and after the date of enactment of this Act until the President (1) undertakes a comprehensive review, after such date, of United States policy toward Greece, (2) has made a full report with respect to such review to Congress, and (3) finds and reports to Congress that, as a result of such review, the Government of Greece is in full compliance with its political and military obligations under the North Atlantic Treaty. The provisions of this section shall not apply to funds obligated prior to such date of enactment.

LIMITATION ON PROVIDING CERTAIN DEFENSE ARTICLES AND SERVICE

SEC. 3112. (a) None of the funds authorized to be appropriated under this Act shall be used to furnish, by grant, credit sale, or guaranty, sophisticated weapons systems, such as missile systems and advanced jet aircraft for military purposes, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.

(b) Decisions to furnish defense articles and services made under this Act shall take into account whether such assistance will—

(1) contribute to an arms race;

(2) increase the possibility of outbreak or escalation of conflicts; or

(3) prejudice the development of bilateral or multilateral arms control arrangements.

Chapter 33—Reports and Information

ANNUAL FOREIGN ASSISTANCE REPORT

SEC. 3301. (a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year in which the report is transmitted, showing—

(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

(3) the aggregate dollar value of all weapons, weapons systems, munitions, aircraft, military boats, military vessels, and other implements of war, and the aggregate dollar value of each category of such implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year;

(4) all exports of significant defense articles on the United States munitions list to any foreign government, international organization, or other foreign recipient or purchaser, by the United States under this Act or any other authority, or by any individual, corporation, partnership, or other association doing business in the United States, including but not limited to, full information as to the particular defense articles so exported, the particular recipient or purchaser, the terms of the export, including its selling price, if any, and such other information as may be appropriate to enable the Congress to evaluate the distribution of United States defense articles abroad; and

(5) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1) through (3) of this subsection.

(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplement to any report shall be transmitted to the Congress at the same time that the report is transmitted.

(c) If the Congress is not in session at the time a report or supplement is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplement on behalf of their respective Houses of Congress and present the report or supplement to the two Houses immediately upon their convening.

(d) For purposes of this section—

(1) "foreign assistance" means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country; and

(2) "provided by the United States Government" includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.

QUARTERLY REPORTS

SEC. 3302. Commencing with the fiscal year which begins July 1, 1973, the Secretary of State shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, within 30 days after the end of each quarter of each fiscal year, a written report with respect to such quarter on—

(1)(A) sales, credit sales, and guaranties made to or on behalf of each foreign country under chapter 11 of this Act, giving in detail each country to or on whose behalf such sales, credit sales, and guaranties were extended, and the terms and conditions of such sales, credit sales, and guaranties (including the guaranty fee and the person extending the credit so guaranteed), (B) forecasts of sales, credit sales, and guaranties to that foreign country for the remainder of the fiscal year in which the report is transmitted and the next succeeding fiscal year, and (C) the balance remaining to be paid by that country on each loan made or guaranteed under such chapter;

(2) the total value for each foreign country of all deliveries of excess defense articles, including a specification for each country of the aggregate original acquisition costs and the aggregate value at time of delivery of such articles;

(3) the total value of all defense articles and defense services provided each foreign country under this Act or any other provision of law, specifying separately for each such country (A) the total value of defense articles and the total value of defense services provided that country, and (B) each provision of law under which such articles and services are provided and the total value furnished under each such provision; and

(4)(A) the number of United States Government personnel detailed or assigned to

each military assistance advisory group, military mission, or other organization of the United States Government in each foreign country performing activities similar to any such group or mission, (B) the number of such personnel detailed or assigned to the Chief of the United States Diplomatic Mission to that country performing primarily military advisory duties, (C) the number of such personnel so detailed or assigned to each such group, mission, organization, and diplomatic mission on the first day of the fiscal year with respect to which such report pertains, and (D) the number of such personnel so detailed or assigned to each such group, mission, organization, or diplomatic mission on the last of the quarter of the fiscal year with respect to which that report pertains.

PRESIDENTIAL FINDINGS AND DETERMINATIONS

SEC. 3303. (a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the International Development Act, the Foreign Assistance Act of 1961, or the Foreign Assistance and Related Programs Appropriations Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.

(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

(c) Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President, including the name and section of the Act under which it was made, shall be published.

(d) No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the International Development Act, the Foreign Assistance Act of 1961, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, even though such report has not yet been transmitted to the appropriate committee or officer of either House of Congress.

PUBLIC DISCLOSURE OF CERTAIN MUNITIONS CONTROL LICENSES

SEC. 3304. Section 414 of the Mutual Security Act of 1954 is amended by adding at the end thereof the following new subsection:

"(e) Licenses issued for the export of articles on the United States Munitions List in excess of $100,000 shall be reported promptly to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which report shall contain—

"(1) the items to be exported under the license;

"(2) the quantity of each such item to be furnished;

"(3) the name and address of the consignee and of the ultimate user of each such item; and

"(4) an injunction whenever appropriate, concerning the necessity to protect the confidentiality of the information provided."

Chapter 35—Miscellaneous

EFFECTIVE DATE

SEC. 3501. This Act is effective July 1, 1973.

LAWS REPEALED

SEC. 3502. (a) The following provisions of law are repealed:

(1) part II of the Foreign Assistance Act of 1961;

(2) sections 634, 650, 654, and 657 of the Foreign Assistance Act of 1961;

(3) the Foreign Military Sales Act;

(4) the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971, as amended (except section 12);

(5) the Special Foreign Assistance Act of 1971 (except section 7); and

(6) section 108 of the Mutual Security Appropriation Act, 1956.

(b) Any amounts in the separate fund account established under section 524 of the Foreign Assistance Act of 1961, and any amounts that would have been paid into such fund but for the repeal of such section, shall be covered into the Treasury as miscellaneous receipts. There are authorized to be appropriated such sums as may be necessary to pay liabilities incurred by the United States in providing military assistance on credit and guaranty terms under part II of the Foreign Assistance Act of 1961.

(c) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall hereafter be deemed to be references to this Act or appropriate provisions of this Act.

(d) The repeal of the Acts listed in subsection (a) of this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

SAVINGS PROVISIONS

SEC. 3503. (a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 3502 of this Act shall continue in full force and effect until modified by appropriate authority.

(b) Wherever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 3502 of this Act or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available pursuant to provisions of law repealed by section 3502 of this Act shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provision of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

STATUTORY CONSTRUCTION

SEC. 3504. (a) If any provision of this Act, or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and the applicability of such provision to other circumstances or persons shall not be affected thereby.

(b) No provision of this Act shall be construed as modifying in any way the provisions of the Atomic Energy Act of 1954, as amended.

INTERNATIONAL CONFERENCE ON CONVENTIONAL ARMS

SEC. 3505. (a) It is the sense of the Congress that the rapidly expanding international trade in conventional arms—

(1) constitutes a severe and wasteful drain on finite world resources, particularly on the seriously limited resources of the less-developed nations;

(2) does not in general contribute to international stability, but serves primarily to escalate the levels of potential violence among nations; and

(3) could be curtailed through the cooperative efforts of the supplying nations, if those nations were to negotiate and implement certain limitations on production and distribution of conventional arms; that such limitations, if designed with appropriate provisions, could be implemented without jeopardizing the security of any nation; and that, because the number of nations acting as major suppliers of conventional arms is far smaller than the number of nations acting as purchasers, such agreements among supplying nations are a promising method of cutailing arms transfers and would not therefore represent an unreasonable encroachment upon the sovereignty of the recipient nations.

(b) It is further the sense of the Congress that the United States should properly assume a leadership role in bringing about such cooperation, and should be prepared to demonstrate restraint in its own sales in order to create a climate conducive to international supplier-nation cooperation.

Therefore, the President is directed—

(1) to undertake a concerted effort to convene an international conference within 18 months after the date of enactment of this Act among representatives of the United States, the Union of Soviet Socialist Republics, Great Britain, France, the Federal Republic of Germany, the People's Republic of China, Sweden, Czechoslovakia, and Canada, and other countries which are acting as major international arms suppliers, on the subject of conventional arms transfers, for the purposes of—

(A) negotiating, among supplying nations, at the earliest possible moment, an agreement which would place a workable ceiling on such transfers; and

(B) establishing a mechanism through which, once such a ceiling has been achieved, the level of arms transfers may be progressively reduced; and

(2) to make a detailed report to the Congress within 6 months after the date of enactment of this Act on the prorgess of this effort.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The question is on agreeing to the motion to lay on the table the motion to reconsider. The clerk will call the roll.

The legislative cerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Massachuetts (Mr. KENNEDY), the Senator from Wyoming (Mr. McGEE), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Missouri (Mr. SYMING-

TON), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Iowa (Mr. CLARK) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) and the Senator for Virginia (Mr. SCOTT) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Maryland (Mr. BEALL), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), the Senator from Ohio (Mr. SAXBE), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 40, nays 35, as follows:

[No. 236 Leg.]

YEAS—40

Aiken	Hartke	Mondale
Bayh	Haskell	Montoya
Bellmon	Hathaway	Moss
Bentsen	Hollings	Muskie
Brooke	Hughes	Pearson
Byrd, Robert C.	Humphrey	Pell
Case	Inouye	Percy
Chiles	Javits	Randolph
Church	Long	Schweiker
Cranston	Magnuson	Stevenson
Eagleton	Mansfield	Taft
Fong	Mathias	Tunney
Fulbright	McClellan	
Hart	McGovern	

NAYS—35

Abourezk	Fannin	Nelson
Allen	Goldwater	Nunn
Baker	Griffin	Packwood
Burdick	Gurney	Proxmire
Byrd, Harry F., Jr.	Hansen	Roth
	Hatfield	Scott, Pa.
Cannon	Helms	Sparkman
Cook	Hruska	Stevens
Cotton	Jackson	Talmadge
Dole	Johnston	Thurmond
Domenici	McClure	Tower
Dominick	Metcalf	Weicker

NOT VOTING—25

Bartlett	Eastland	Saxbe
Beall	Ervin	Scott, Va.
Bennett	Gravel	Stafford
Bible	Huddleston	Stennis
Biden	Kennedy	Symington
Brock	McGee	Williams
Buckley	McIntyre	Young
Clark	Pastore	
Curtis	Ribicoff	

So the motion to lay on the table the motion to reconsider was agreed to.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make clerical and other technical changes in S. 1443.

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

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent that the bill as passed by the Senate be printed.

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

CONTINUATION OF EXISTING INCREASE IN THE PUBLIC DEBT LIMIT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 236, H.R. 8410, an act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes, and that it be made the pending business.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 3, after line 8, insert a new title, as follows:

TITLE II—PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

PART A—INCREASE IN SOCIAL SECURITY BENEFITS

COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

SEC. 201. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of this section, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the percentage by which the Consumer Price Index prepared by the Department of Labor for the month of June 1973 exceeds such index for the month of June 1972.

(2) The provisions of this section (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after December 1973 and prior to January 1975, and, in the case of lump-sum death payments under such title, only with respect to deaths which occur after December 1973 and prior to January 1975.

(b) The increase in social security benefits authorized under this section shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that the amount of such increase shall be based on the increase in the Consumer Price Index described in subsection (a).

(c) The increase in social security benefits provided by this section shall—

(1) not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(2) not (except for purposes of section 203(a)(2) of such Act, as in effect after December 1973) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i)(3) of such Act);

and nothing in this section shall be construed as authorizing any increase in the "contribution and benefit base" (as that term is employed in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f)(8) of such Act).

(d) Nothing in this section shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after December 1974, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after December 1974. The recognition of the existence of the increase in benefits authorized by the preceding subsections of this section (during the period it was in effect) in the application, after December 1974, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after December 1974.

PART B—PROVISIONS RELATING TO FEDERAL PROGRAM OF SUPPLEMENTAL SECURITY INCOME

INCREASE IN SUPPLEMENTAL SECURITY INCOME

SEC. 210. (a) Section 1611(a)(1)(A) and section 1611(b)(1) of the Social Security Act (as enacted by section 301 of the Social Security amendments of 1972) are each amended by striking out "$1,560" and inserting in lieu thereof "$1,680".

(b) Section 1611(a)(2)(A) and section 1611(b)(2) of such Act (as so enacted) are each amended by striking out "$2,340" and inserting in lieu thereof "$2,520".

SUPPLEMENTAL SECURITY INCOME BENEFITS FOR ESSENTIAL PERSONS

SEC. 211. (a)(1) In determining (for purposes of title XVI of the Social Security Act, as in effect after December 1973) the eligibility for and the amount of the supplementary security income benefit payable to any qualified individual (as defined in subsection (b)), with respect to any period for which such individual has in his home an essential person (as defined in subsection (c))—

(A) the dollar amounts specified, in subsection (a)(1)(A) and (2)(A), and subsection (b)(1) and (2), of section 1611 of such Act, shall each be increased by $840 for each such essential person, and

(B) the income and resources of such individual shall (for purposes of such title XVI) be deemed to include the income and resources of such essential person;

except that the provisions of this subsection shall not, in the case of any individual, be applicable for any period which begins in or after the first month that such individual—

(C) does not but would (except for the provisions of subparagraph (B)) meet—

(i) the criteria established with respect to income in section 1611(a) of such Act, or

(ii) the criteria established with respect to resources by such section 1611(a) (or, if applicable, by section 1611(g) of such Act).

(2) The provisions of section 1611(g) of the Social Security Act (as in effect after December 1973) shall, in the case of any qualified individual (as defined in subsection (b)), be applied so as to include, in the resources of such individual, the resources of any person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for the aid or assistance referred to in subsection (b)(1).

(b) For purposes of this section, an individual shall be a "qualified individual" only if—

(1) for the month of December 1973 such individual was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI of the Social Security Act, and

(2) in determining the need of such individual for such aid or assistance for such month under such State plan, there were taken into account the needs of a person (other than such individual) who—

(A) was living in the home of such individual, and

(B) was not eligible (in his or her own right) for aid or assistance under such State plan for such month.

(c) The term "essential person", when used in connection with any qualified individual, means a person who—

(1) for the month of December 1973 was a person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for aid or assistance under a State plan referred to in subsection (b)(1) as such State plan was in effect for June 1973,

(2) lives in the home of such individual,

(3) is not eligible (in his or her own right) for supplemental security income benefits under title XVI of the Social Security Act (as in effect after December 1973), and

(4) is not the eligible spouse (as that term is used in such title XVI) of such individual by any other individual.

If for any month after December 1973 any person fails to meet the criteria specified in paragraph (2), (3), or (4) of the preceding sentence, such person shall not, for such month or any month thereafter be considered to be an essential person.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a)(1) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) to be eligible for payments pursuant to title XIX, with respect to expenditures for any quarter beginning after December 1973, and prior to January 1, 1975, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") whereby the State will provide to individuals residing in the State supplementary payments as required under paragraph (2).

(2) Any agreement entered into by a State pursuant to paragraph (1) shall provide that each individual who—

(A) is an aged, blind, or disabled individual (within the meaning of section 1614(a) of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972), and

(B) for the month of December 1973 was a recipient of (and was eligible to receive) aid or assistance (in the form of money payments) under a State plan of such State (approved under title I, X, XIV, or XVI, of the Social Security Act)

shall be entitled to receive, from the State, the supplementary payment described in paragraph (3) for each month, beginning with January 1974 and ending with the close of December 1974 (or, if later, the close of the month the State, at its option, may specify in the agreement or in a subsequent modification of the agreement), or, if earlier, whichever of the following first occurs:

(C) the month in which such individual dies, or

(D) the first month in which such individual ceases to meet the condition specified in subparagraph (A);

except that no individual shall be entitled to receive such supplementary payment for any month, if, for such month, such individual was ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e) (2) or (3) or section 1611(f) of such Act.

(3)(A) The supplementary payment referred to in paragraph (2) which shall be paid for any month to any individual who is entitled thereto under an agreement entered into pursuant to this subsection shall (except as provided in subparagraph (D)) be an amount equal to (i) the amount by which such individual's "December 1973 income" (as determined under subparagraph (B)) exceeds the amount of such individual's "title XVI benefit plus other income" (as determined under subparagraph (C)) for such month, or (ii) if greater, such amount as the State may specify.

(B) For purposes of subparagraph (A), an individual's "December 1973 income" means an amount equal to the aggregate of—

(i) the amount of the aid or assistance (in the form of money payments) which such individual would have received (including any part of such amount which is attributable to meeting the needs of any other person whose presence in such individual's home is essential to such individual's well-being) for the month of December 1973 under a plan (approved under title I, X, XIV, or XVI, of the Social Security Act) of the State entering into an agreement under this subsection, if the terms and conditions of such plan (relating to eligibility for and amount of such aid or assistance payable thereunder) were, for the month of December 1973, the same as those in effect, under such plan, for the month of June 1973, and

(ii) the amount of the income of such individual (other than the aid or assistance described in clause (i)) received by such individual in December 1973, minus any such income which did not result, but which if properly reported would have resulted in a reduction in the amount of such aid or assistance.

(C) For the purposes of subparagraph (A), the amount of an individual's "title XVI benefit plus other income" for any month means an amount equal to the aggregate of—

(i) the amount (if any) of the supplemental security income payment to which such individual is entitled for such month under title XVI of the Social Security Act, and

(ii) the amount of any income of such individual for such month (other than income in the form of a payment described in clause (i)).

(D) If the amount determined under subparagraph (B)(i) includes, in the case of any individual, an amount which was payable to such individual solely because of—

(i) a special need for such individual (including any special allowance for housing, or the rental value of housing furnished in kind to such individual in lieu of a rental allowance) which existed in December 1973, or

(ii) any special circumstance (such as the recognition of the needs of a person whose presence in such individual's home, in December 1973, was essential to such individual's well-being),

and, if for any month after December 1973 there is a change with respect to such special need or circumstance which, if such change had existed in December 1973, the amount described in subparagraph (B)(i) with respect to such individual would have been reduced on account of such change, then, for such month and for each month thereafter the amount of the supplementary payment payable under the agreement entered into under this subsection to such individual shall (unless the State, at its option, otherwise specifies) be reduced by an amount equal to the amount by which the amount (described in subparagraph (B)(i)) would have been so reduced.

(b)(1) Any State having an agreement with the Secretary under subsection (a) may enter into an administration agreement with the Secretary whereby the Secretary will, on behalf of such State, make the supplementary payments required under the agreement entered into under subsection (a).

(2) Any such administration agreement between the Secretary and a State entered into under this subsection shall provide that the State will (A) certify to the Secretary the names of each individual who, for December 1973, was a recipient of aid or assistance (in the form of money payments) under a plan of such State approved under title I, X, XIV, or XVI of the Social Security Act, together with the amount of such assistance payable to each such individual and the amount of such individual's December 1973 income (as defined in subsection (a)(3)(B)), and (B) provide the Secretary with such additional data at such times as the Secretary may reasonably require in order properly, economically, and efficiently to carry out such administration agreement.

(3) Any State which has entered into an administration agreement under this subsection shall, at such times and in such installments as may be agreed upon between the Secretary and the State, pay to the Secretary an amount equal to the expenditures made by the Secretary as supplementary payments to individuals entitled thereto under the agreement entered into with such State under subsection (a).

(c)(1) Supplementary payments made pursuant to an agreement entered into under subsection (a) shall be excluded under section 1612(b)(6) of the Social Security Act (as in effect after December 1973) in determining income of individuals for purposes of title XVI of such Act (as so in effect).

(2) Supplementary payments made by the Secretary (pursuant to an administration agreement entered into under subsection (b)) shall, for purposes of section 401 of the Social Security Amendments of 1972, be considered to be payments made under an agreement entered into under section 1616 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972); except that nothing in this paragraph shall be construed to waive, with respect to the payments so made by the Secretary, the provisions of subsection (b) of such section 401.

(d) For purposes of subsection (a)(1), a State shall be deemed to have entered into an agreement under subsection (a) of this section if such State has entered into an agreement with the Secretary under section 1616 of the Social Security Act under which—

(1) individuals, other than individuals described in subsection (a)(2)(A) and (B), are entitled to receive supplementary payments, and

(2) supplementary benefits are payable, to individuals described in subsection (a)(2)(A) and (B) at a level and under terms and conditions which meet the minimum requirements specified in subsection (a).

(e) Except as the Secretary may by regulations otherwise provide, the provisions of title XVI of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972), including the provisions of part B of such title, relating to the terms and conditions under which the benefits authorized by such title are payable shall, where not inconsistent with the purposes of this section, be applicable to the payments made under an agreement under subsection (b) of this section; and the authority conferred upon the Secretary by such title may, where appropriate, be exercised by him in the administration of this section.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

SEC. 213. The Secretary of Health, Education, and Welfare, in the recruitment and selection for employment of personnel whose services will be utilized in the administration of the Federal program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act), shall give a preference to qualified applicants for employment who are employed in the administration of any State program approved under title I, X, XIV, or

XVI of such Act or who were so employed and were displaced from their employment as a result of the displacement of such State program by such Federal program.

DETERMINATION OF BLINDNESS UNDER SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 214. Section 1633 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) is amended—

(1) by inserting "(a)" immediately after "SEC. 1633.",

(2) by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (b), the Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) In determining, for purposes of this title, whether an individual is blind, there shall be an examination of such individual by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

PART C—PROVISIONS RELATING TO AID TO FAMILIES WITH DEPENDENT CHILDREN

PASS-ALONG OF SOCIAL SECURITY BENEFIT INCREASE TO RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 220. (a) Section 402(a)(8)(B) of the Social Security Act is amended by inserting ", and, effective February 1, 1974, shall, before disregarding the amounts referred to in subparagraph (A) and clauses (i) and (ii) of this subparagraph, disregard an amount equal to 5 per centum of any income, received in the form of monthly insurance benefits paid under title II" immediately after "$5 per month of any income".

(b) Any State plan approved under part A of title IV of the Social Security Act shall, effective February 1, 1974, be deemed to contain a provision (relating to the disregarding of income) which complies with the requirement imposed with respect to any such plan under the amendment made by subsection (a).

PART D—SOCIAL SERVICES REGULATIONS

SOCIAL SERVICES REGULATIONS POSTPONED

SEC. 230. (a) Subject to subsection (b), no regulation and no modification of any regulation, promulgated by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") after January 1, 1973, shall be effective for any period which begins prior to January 1, 1974, if (and insofar as) such regulation or modification of a regulation pertains (directly or indirectly) to the provisions of law contained in section 3(a)(4)(A), 402(a)(19)(G), 403(a)(3)(A), 603(a)(1)(A), 1003(a)(3)(A), 1403(a)(3)(A), or 1603(a)(4)(A), of the Social Security Act.

(b)(1) The provisions of subsection (a) shall not be applicable to any regulation relating to "scope of programs", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.0 of the regulations (relating to social services) proposed by the Secretary and published in the Federal Register on May 1, 1973. There shall be deleted from the first sentence of subsection (b) of such section 221.0 the phrase "meets all the applicable requirements of this part and".

(2) The provisions of subsection (a) shall not be applicable to any regulation relating to "limitations on total amount of Federal funds payable to States for services", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.55 of the regulations so proposed and published on May 1, 1973. There shall be deleted from subsection (d)(1) of such section 221.55 the phrase "(as defined under day care services for children)"; and, in lieu of the sentence contained in subsection (d)(5) of such section 221.55, there shall be inserted the following: "Services provided to a child who is under foster care in a foster family home (as defined in section 408 of the Social Security Act) or in a child-care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed by such child because he is under foster care.".

(3) The provisions of subsection (a) shall not be applicable to any regulation relating to "rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam", if such regulation is identical to the provisions of section 221.56 of the regulations so proposed and published on May 1, 1973.

(c) Notwithstanding the provisions of section 553(d) of title 5, United States Code, any regulation described in subsection (b) may become effective upon the date of its publication in the Federal Register.

PART E—PROVISIONS RELATING TO MEDICAID

COVERAGE OF ESSENTIAL PERSONS UNDER MEDICAID

SEC. 240. (a) In addition to the requirements imposed by other provisions of law as a condition of approval of a State plan under title XIX of the Social Security Act, there is hereby imposed the requirement (and each such plan shall be deemed to require) that assistance be provided under such plan to any individual who, as an "essential person" (as defined in subsection (b)), was eligible for assistance under such plan (as such plan was in effect for December 1973), for each month, after December 1973, that such individual continues to meet the criteria, as an essential person, for eligibility under such plan (as such plan was in effect for December 1973).

(b) As used in subsection (a), the term "essential person" means a person who—

(1) for the month of December 1973, was present in the home of an individual who was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI, of the Social Security Act, and

(2) was not a recipient of such aid or assistance (in his or her own right) for such month, but whose needs were taken into account in determining the need of such individual for and the amount of aid or assistance (referred to in paragraph (1)) provided to such individual.

PERSONS IN MEDICAL INSTITUTIONS

SEC. 241. For purposes of section 1902(a)(10) of the Social Security Act, any individual who—

(1) for all (or any part of) the month of December 1973 was an inpatient in an institution qualified for reimbursement under title XIX of the Social Security Act, and

(2) would (except for his being an inpatient in such institution) have been eligible to receive aid or assistance under a State plan approved under title I, X, XIV, or XVI of such Act.

shall be deemed to be receiving such aid or assistance for such month and for each succeeding month in a continuous period of months if, for each month in such period—

(3) such individual continues to be (for all of such month) an inpatient in such an institution and would (except for his being an inpatient in such institution) continue to meet the conditions of eligibility to receive aid or assistance under such plan (as such plan was in effect for December 1973), and

(4) such individual is determined (under the utilization review and other professional audit procedures applicable to State plans approved under title XIX of the Social Security Act) to be in need of care in such an institution.

BLIND AND DISABLED MEDICALLY INDIGENT PERSONS

SEC. 242. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for the month of December 1973 was eligible (under the provisions of subparagraph (B) of such section) for medical assistance by reason of his having been determined to meet the criteria for blindness or disability (established by a State plan approved under title I, X, XIV, or XVI of such Act), shall be deemed to be a person described as being a person who "would, if needy, be eligible for aid or assistance under any such State plan" in subparagraph (B)(i) of such section for each month in a continuous period of months (beginning with the month of January 1974), if, for each month in such period, such individual continues to meet the criteria for blindness or disability so established by such a State plan (as it was in effect for December 1973).

EXTENSION OF SECTION 249 OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 243. Section 249E of the Social Security Amendment of 1972 is amended by striking out "October 1974" and inserting in lieu thereof "July 1975".

REPEAL OF SECTION 225 OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 224. (a) Section 1903 of the Social Security Act is amended by striking out subsection (j) thereof (as added by section 225 of Public Law 92-603).

(b) The amendment made by subsection (a) shall be applicable in the case of expenditures for skilled nursing services and for intermediate care facility services furnished in calendar quarters which begin after December 31, 1972.

PART F—PROVISIONS RELATING TO MATERNAL AND CHILD HEALTH

GRANTS TO STATES FOR MATERNAL AND CHILD HEALTH

SEC. 250. (a)(1) Paragraph (1) of section 502 of the Social Security Act is amended by striking out "each of the next 4 fiscal years" and inserting in lieu thereof "each of the next 5 fiscal years".

(2) Paragraph (2) of section 502 of such Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

(3) Section 505(a)(8) of the Social Security Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(4) Section 505(a)(9) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(5) Section 505(a)(10) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(6) Section 508(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(7) Section 509(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(8) Section 510(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(b) Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL ALLOTMENTS

"SEC. 516. (a)(1) For each fiscal year (commencing with the fiscal year ending June 30, 1975), there shall (subject to paragraph (2)) be allotted to each State (from funds appropriated for such fiscal year pursuant to subsection (b)) an amount, which shall be in addition to and available for the same purposes as the allotments of such State (as determined under sections 503 and 504), equal to the excess (if any) of—

"(A) the amount of the allotment of such State (as determined under sections 503 and 504) for the fiscal year ending June 30, 1973, plus the amounts of any grants to such States under sections 508, 509, and 510, over

"(B) the amount of the allotment of such State (as determined under sections 503 and

504) for such fiscal year which commences after June 30, 1973.

"(2) No State shall receive an allotment under this section for any fiscal year, unless such State (in the administration of its State plan, approved under section 505) has in effect arrangements which the Secretary finds will provide for the continuation of appropriate services to population groups previously receiving services from funds made available (for the fiscal year ending June 30, 1974) to such State pursuant to sections 508, 509, and 510.

"(b) (1) (A) There are (subject to subparagraph (B)) hereby authorized to be appropriated for each fiscal year (commencing with the fiscal year ending June 30, 1975) such amounts as may be necessary to enable the Secretary to make the allotments authorized under subsection (a).

"(B) Nothing contained in subparagraph (A) shall be construed to authorize, for any fiscal year, the appropriation under this subsection of any amount which is in excess of the amount by which—

"(i) the amount authorized to be appropriated under section 501 for such year exceeds

"(ii) the total amounts appropriated pursuant to section 501 for such year.

"(2) If, for any fiscal years, the total amount appropriated pursuant to paragraph (1) is less than the total amount allotted to all States under subsection (a), then the amount of the allotment of each State (as determined under subsection (a)) shall be reduced to an amount which bears the same ratio to the total amount appropriated pursuant to paragraph (1) for such fiscal year as the amount of the allotment of such State (as determined under subsection (a)) bears to the total amount allotted to all States under subsection (a) for such fiscal year."

(c) (1) In the case of any State, if for the fiscal year ending June 30, 1974, the sum of—

(A) the amount of the allotment which such State would have received under section 503 of the Social Security Act for such year (if subsection (a) of this section had not been enacted), plus

(B) the amount of the allotment which such State would have received under section 504 of such Act for such year (if subsection (a) of this section had not been enacted), is in excess of the sum of—

(C) the aggregate of the allotments which such State received (for the fiscal year ending June 30, 1973) under such sections 503 and 504, plus

(D) the aggregate of the grants received (for the fiscal year ending June 30, 1973) under sections 508, 509, and 510 of such Act,

then, for the fiscal year ending June 30, 1974, there shall be added to the allotments of such State, under sections 503 and 504 of such Act, in such proportion to each such allotment as the State shall specify, an amount equal to such excess.

(2) (A) There are (subject to subparagraph (B)) hereby authorized to be appropriated, for the fiscal year ending June 30, 1974, such amounts as may be necessary to make the increase in allotments provided for in paragraph (1).

(B) Nothing contained in subparagraph (A) shall be construed to authorize, for the fiscal year ending June 30, 1974, the appropriation under this paragraph of any amount which is in excess of the amount by which—

(i) the amount authorized to be appropriated under section 501 of such year, exceeds

(ii) the total amounts appropriated pursuant to section 501 for such year.

(3) If, for the fiscal year ending June 30, 1974, the amount appropriated pursuant to the preceding provisions of this subsection is less than the total of the amounts authorized to be added to the allotments of States (as determined under paragraph (1)), then the amount to be added to the allotment of each State shall be reduced to an amount which bears the same ratio to the amount so appropriated for such year as the amount to be added to the allotment of such State (as determined under paragraph (1)) bears to the total of the amounts to be added to the allotments of all States (as determined under paragraph (1)).

TITLE III—IMPOUNDMENT CONTROL PROCEDURES

SEC. 301. The Congress finds that—

(1) the Congress has the sole authority to enact legislation and appropriate moneys on behalf of the United States;

(2) the Congress has the authority to make all laws necessary and proper for carrying into execution its own powers;

(3) the Executive shall take care that the laws enacted by Congress shall be faithfully executed;

(4) under the Constitution of the United States, the Congress has the authority to require that funds appropriated and obligated by law shall be spent in accordance with such law;

(5) there is no authority expressed or implied under the Constitution of the United States for the Executive to impound budget authority and the only authority for such impoundments by the executive branch is that which Congress has expressly delegated by statute;

(6) by the Antideficiency Act (Rev. Stat. sec. 3679), the Congress delegated to the President authority, in a narrowly defined area, to establish reserves for contingencies or to effect savings through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which appropriations are made available;

(7) in spite of the lack of constitutional authority for impoundment of budget authority by the executive branch and the narrow area in which reserves by the executive branch have been expressly authorized in the Antideficiency Act, the executive branch has impounded many billions of dollars of budget authority in a manner contrary to and not authorized by the Antideficiency Act or any other Act of Congress;

(8) impoundments by the executive branch have often been made without a legal basis;

(9) such impoundments have totally nullified the effect of appropriations and obligational authority enacted by the Congress and prevented the Congress from exercising its constitutional authority;

(10) the executive branch, through its presentation to the Congress of a proposed budget, the due respect of the Congress for the views of the executive branch, and the power of the veto, has ample authority to affect the appropriation and obligation process without the unilateral authority to impound budget authority; and

(11) enactment of this legislation is necessary to clarify the limits of the existing legal authority of the executive branch to impound budget authority, to establish a proper allocation of authority between the Congress and the executive branch, to confirm the constitutional proscription against the unilateral nullification by the executive branch of duly enacted authorization and appropriation Acts, and to establish efficient and orderly procedures for the recording of budget authority through joint action by the Executive and the Congress, which shall apply to all impoundments of budget authority, regardless of the legal authority asserted from making such impoundments.

SEC. 302. (a) Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States, 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, the President shall, within ten days thereafter, transmit to the Senate and the House of Representatives a special message specifying—

(1) the amount of the budget authority impounded;

(2) the date on which the budget authority was ordered to be impounded;

(3) the date the budget authority was impounded;

(4) any account, department, or establishment of the Government to which such impounded budget authority would have been available for obligation except for such impoundment;

(5) the period of time during which the budget authority is to be impounded, to include not only the legal lapsing of budget authority but also administrative decisions to discontinue or curtail a program;

(6) the reasons for the impoundment, including any legal authority invoked by him to justify the impoundment and, when the justification invoked is a requirement to avoid violating any public law which establishes a debt ceiling or a spending ceiling, the amount by which the ceiling would be exceeded and the reasons for such anticipated excess; and

(7) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the impoundment.

(b) Each special message submitted pursuant to subsection (a) shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each such message may be printed by either House as a document for both Houses, as the President of the Senate and Speaker of the House may determine.

(c) A copy of each special message submitted pursuant to subsection (a) shall be transmitted to the Comptroller General of the United States on the same day as it is transmitted to the Senate and the House of Representatives. The Comptroller General shall review each such message and determine whether, in his judgment, the impoundment was in accordance with existing statutory authority, following which he shall notify both Houses of Congress within 15 days after the receipt of the message as to his determination thereon. If the Comptroller General determines that the impoundment was in accordance with section 3679 of the Revised Statutes (31 U.S.C 665), commonly referred to as the "Antideficiency Act", the provisions of section 303 and section 305 shall not apply. In all other cases, the Comptroller General shall advise the Congress whether the impoundment was in accordance with other existing statutory authority and sections 303 and 305 shall apply.

(d) If any information contained in a special message submitted pursuant to subsection (a) is subsequently revised, the President shall transmit within ten days to the Congress and the Comptroller General a supplementary message stating and explaining each such revision.

(e) Any special or supplementary message transmitted pursuant to this section shall be printed in the first issue of the Federal Register published after that special or supplemental message is so transmitted and may be printed by either House as a document for both Houses, as the President of the Senate and Speaker of the House may determine.

(f) The President shall publish in the Federal Register each month a list of any budget authority impounded as of the first calendar day of that month. Each list shall

be published no later than the tenth calendar day of the month and shall contain the information required to be submitted by special message pursuant to subsection (a).

SEC. 303. The President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States shall cease the impounding of any budget authority set forth in each special message within sixty calendar days of continuous session after the message is received by the Congress unless the specific impoundment shall have been ratified by the Congress by passage of a concurrent resolution in accordance with the procedure set out in section 305: *Provided, however,* That Congress may by concurrent resolution disapprove any impoundment in whole or in part, at any time prior to the expiration of the sixty-day period, and in the event of such disapproval, the impoundment shall cease immediately to the extent disapproved. The effect of such disapproval, whether by concurrent resolution passed prior to the expiration of the sixty-day period or by the failure to approve by concurrent resolution within the sixty-day period, shall be to make the obligation of the budget authority mandatory, and shall preclude the President or any other Federal officer or employee from reimpounding the specific budget authority set forth in the special message which the Congress by its action or failure to act has thereby rejected.

SEC. 304. For purposes of this title, the impounding of budget authority includes—

(1) withholding, delaying, deferring, freezing, or otherwise refusing to expend any part of budget authority made available (whether by establishing reserves or otherwise) and the termination or cancellation of authorized projects or activities to the extent that budget authority has been made available,

(2) withholding, delaying, deferring, freezing, or otherwise refusing to make any allocation of any part of budget authority (where such allocation is required in order to permit the budget authority to be expended or obligated),

(3) withholding, delaying, deferring, freezing, or otherwise refusing to permit a grantee to obligate any part of budget authority (whether by establishing contract controls, reserves, or otherwise), and

(4) any type of Executive action or inaction which effectively precludes or delays the obligation or expenditure of any part of authorized budget authority.

SEC. 305. The following subsections of this section are enacted by the Congress:

(a)(1) As an exercise in the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(b)(1) For purposes of this section, the term "resolution" means only a concurrent resolution of the Senate or House of Representatives, as the case may be, which is introduced and acted upon by both Houses at any time before the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the special message of the President is transmitted to the two Houses.

(2) The matter after the resolving clause of a resolution approving the impounding of budget authority shall be substantially as follows (the blank spaces being appropriately filled): "That the Congress approves the impounding of budget authority as set forth in the special message of the President dated ————, Senate (House) Document No. —."

(3) The matter after the resolving clause of a resolution disapproving, in whole or in part, the impounding of budget authority shall be substantially as follows (the blank spaces being appropriately filled): "That the Congress disapproves the impounding of budget authority as set forth in the special message of the President dated ————, Senate (House) Document No. ———— (in the amount of $————)."

(4) For purposes of this subsection, the continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the sixty-day period.

(c)(1) A resolution introduced, or received from the other House, with respect to a special message shall not be referred to a committee and shall be privileged business for immediate consideration, following the receipt of the report of the Comptroller General referred to in section 302(c). It shall at any time be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. Such motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) If the motion to proceed to the consideration of a resolution is agreed to, debate on the resolution shall be limited to ten hours, which shall be divided equally between those favoring and those opposing the resolution. Debate on any amendment to the resolution (including an amendment substituting approval for disapproval in whole or in part or substituting disapproval in whole or in part for approval) shall be limited to two hours, which shall be divided equally between those favoring and those opposing the amendment.

(3) Motions to postpone, made with respect to the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(d) If, prior to the passage by one House of a resolution of that House with respect to a special message, such House receives from the other House a resolution with respect to the same message, then—

(1) If no resolution of the first House with respect to such message has been introduced, no motion to proceed to the consideration of any other resolution with respect to the same message may be made (despite the provisions of subsection (c)(1) of this section).

(2) If a resolution of the first House with respect to such message has been introduced—

(A) the procedure with respect to that or other resolutions of such House with respect to such message shall be the same as if no resolution from the other House with respect to such message had been received; but

(B) on any vote on final passage of a resolution of the first House with respect to such message the resolution from the other House with respect to such message shall be automatically substituted for the resolution of the first House.

(e) If a committee of conference is appointed on the disagreeing votes of the two Houses with respect to a resolution, the conference report submitted in each House shall be considered under the rules set forth in subsection (c) of this section for the consideration of a resolution, except that no amendment shall be in order.

(f) Notwithstanding any other provision of this section, it shall not be in order in either House to consider a resolution with respect to a special message after the two Houses have agreed to another resolution with respect to the same message.

(g) As used in this section, the term "special message" means a report of impounding action made by the President pursuant to section 302 or by the Comptroller General pursuant to section 306.

SEC. 306. If the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States takes or approves any impounding action within the purview of this title, and the President fails to report such impounding action to the Congress as required by this title, the Comptroller General shall report such impounding action with any available information concerning it to both Houses of Congress, and the provisions of this title shall apply to such impounding action in like manner and with the same effect as if the report of the Comptroller General had been made by the President: *Provided, however,* That the sixty-day period provided in section 303 shall be deemed to have commenced at the time at which, in the determination of the Comptroller General, the impounding action was taken.

SEC. 307. Nothing contained in this title shall be interpreted by any person or court as constituting a ratification or approval of any impounding of budget authority by the President or any other Federal employee, in the past or in the future, unless done pursuant to statutory authority in effect at the time of such impoundment.

SEC. 308. The Comptroller General is hereby expressly empowered as the representative of the Congress through attorneys of his own selection to sue any department, agency, officer, or employee of the United States in a civil action in the United States District Court for the District of Columbia to enforce the provisions of this title, and such court is hereby expressly empowered to enter in such civil action any decree, judgment, or order which may be necessary or appropriate to secure compliance with the provisions of this title by such department, agency, officer, or employee. Within the purview of this section, the Office of Management and Budget shall be construed to be an agency of the United States, and the officers and employees of the Office of Management and Budget shall be construed to be officers or employees of the United States.

SEC. 309. (a) Notwithstanding any other provision of law, all funds appropriated by law shall be made available and obligated by the appropriate agencies, departments, and other units of the Government except as may be provided otherwise under this title.

(b) Should the President desire to impound any appropriation made by the Congress not authorized by this title or by the Antideficiency Act, he shall seek legislation utilizing the supplemental appropriations process to obtain selective rescission of such appropriation by the Congress.

SEC. 310. If any provision of this title, or the application thereof to any person, impoundment, or circumstance, is held invalid, the validity of the remainder of the title and the application of such provision to other persons, impoundments, or circumstances, shall not be affected thereby.

SEC. 311. The provisions of this title shall take effect from and after the date of enactment.

TITLE IV—CEILING ON FISCAL YEAR 1974 EXPENDITURES

SEC. 401. (a) Except as provided in subsection (b) of this section, expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government, shall not exceed $268,700,000,000.

(b) If the estimates of revenues which will be received in the Treasury during the fiscal year ending June 30, 1974, as made from time to time, are increased as a result of legislation enacted after the date of the enactment of this Act reforming the Federal tax laws, the limitation specified in subsection (a) of this section shall be reviewed by Congress for the purpose of determining whether the additional revenues made available should be applied to essential public services for which adequate funding would not otherwise be provided.

SEC. 402. (a) Notwithstanding the provisions of any other law, the President shall, in accordance with this section, reserve from expenditure and net lending, from appropriations, or other obligational authority otherwise made available, such amounts as may be necessary to keep expenditures and net lending during the fiscal year ending June 30, 1974, within the limitation specified in section 401.

(b) In carrying out the provisions of subsection (a) of this section, the President shall reserve amounts proportionately from new obligational authority and other obligational authority available for each functional category, and to the extent practicable, subfunctional category (as set out in table 3 of the United States Budget in Brief for fiscal year 1974), except that no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants, and supplementary security income payments under the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries.

(c) Reservations made to carry out the provisions of subsection (a) of this section shall be subject to the provisions of title III of this Act, except that—

(1) if the Comptroller General determines under section 302(c), with respect to any such reservation, that the requirements of proportionate reservations of subsection (b) of this section have been complied with, then sections 303 and 305 shall not apply to such reservation, and

(2) the provisions of section 303 which preclude reimpoundment shall not apply with respect to any such reservation.

(d) In no event shall the authority conferred by this section be used to impound funds, appropriated or otherwise made available by Congress, for the purpose of eliminating a program the creation or continuation of which has been authorized by Congress.

SEC. 403. In the administration of any program as to which—

(1) the amount of expenditures is limited pursuant to this title, and

(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution,

the amount available for expenditure (after the application of this title) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

Mr. LONG. Mr. President, H.R. 8410 as it passed the House continues the present debt limit of $465 billion for 5 months and continues two other provisions relating to Federal Government bonds. The Finance Committee accepted these provisions of the House bill without change and added an amendment which would provide $3.8 billion in increased social security, supplemental security income, and medicaid benefits to more than 30 million persons. This is necessary to offset the effect of the steep inflation of the past months since phase 2 ended.

The committee bill also corrects some oversights in last year's social security bill which, if left uncorrected, would have the unfortunate effect of having many thousands of aged, blind, and disabled assistance recipients and medicaid eligibles suffer a reduction in benefits or loss of medicaid eligibility come next January. The amendments made by the committee also add an expenditure limitation and impoundment procedures which are essentially the same as those already passed by the Senate on two occasions.

Let me turn first to the social security benefit increase.

SOCIAL SECURITY BENEFIT INCREASE

Last year the Congress enacted a law providing for social security benefits to be increased automatically as the cost of living rises. Generally speaking, whenever the cost of living goes up by at least 3 percent in a year, social security benefits will be increased by the amount that the cost of living has gone up. Each of these benefit increases becomes effective for the January following the year in which the cost of living has increased.

Everyone is well aware of the extent to which the cost of living has gone up in the last year—especially since phase 2 was ended in January. But under last year's law, the first cost-of-living social security increase cannot go into effect until January 1975. In the 12 months since the Congress voted the automatic cost-of-living increase provision into law, the consumer price index has gone up about 5.6 percent. Now it is true that the increase in the cost of living will eventually be reflected in the benefit increase that will come about in January 1975. But it would be unconscionable to make the 30 million social security beneficiaries who will be on the rolls in January 1974 wait a full year when steep inflation is already eating away at the value of their benefits.

Mr. President, the Senator from Connecticut (Mr. RIBICOFF) called our attention to the need for this provision. I had been under the impression, and I believe that this impression was probably shared by a majority of the Members of Congress, that the automatic cost-of-living increase provision already in law would benefit these 30 million social security retirees as of January 1974. That is an error. We are very fortunate that the senior Senator from Connecticut (Mr. RIBICOFF) directed this matter to our attention.

Accordingly, the committee bill would provide for the first cost-of-living increase to take place next January rather than waiting until January 1975. This increase would be the same amount as the cost of living has risen in the 12-month period between June 1972 and June 1973, estimated to be a 5.6 percent increase. At this rate of increase, the average monthly benefit to a retired individual would rise from $161 to $170, and the average monthly benefit for aged couples would increase from $277 to $293. Under the committee amendment, nearly 30 million social security beneficiaries would receive an estimated additional $3.2 billion in social security benefits.

SUPPLEMENTAL SECURITY INCOME

A more timely cost-of-living increase in social security benefits alone will not do the whole job. Last year the Congress enacted a new supplemental security income program under which the Federal Government would guarantee aged, blind, and disabled persons, beginning next January, a monthly income of $130 for an individual and $195 for a couple. A majority of the SSI recipients will also be receiving a small social security benefit. If we increase social security benefits and do nothing else, the SSI recipients will be no better off because the SSI payment will be reduced $1 for every dollar that social security payments go up.

Aged, blind, and disabled assistance recipients suffer from the same inflation as everyone else. We want help both for those SSI recipients who also receive social security benefits and those whose only income is their SSI payment. The committee bill would do this by increasing the SSI guarantee levels from $130 to $140 for an individual and from $195 to $210 for a couple. More than 5 million persons would receive an additional $325 million in SSI payments in calendar year 1974 if the committee bill becomes law.

COVERING "ESSENTIAL PERSONS"

Many States now take into account the needs of "essential persons," typically a spouse under age 65 of an assistance recipient over 65. Under the new SSI program, only persons who are themselves over 65, blind, or disabled, are eligible for payments. If we do nothing to change the law, that spouse will not be eligible for a Federal SSI payment. It was an oversight that the Congress never intended for this kind of couple to take a cut next January.

The committee bill would correct this oversight by extending SSI eligibility to persons currently considered essential persons under State programs of aid to the aged, blind, and disabled. Under the committee bill, an aged person whose spouse under age 65 is currently on public assistance would be guaranteed a monthly income of $210 under the new SSI program. Under this provision, an estimated 125,000 persons would receive additional Federal SSI payments of $100 million in calendar year 1974.

REQUIRING STATE SUPPLEMENTATION

Based on the most recent figures available, about half of the States currently pay an aged individual with no other income less than $140 for basic needs and an aged couple less than $210. This means that most persons in these States would find their monthly payments increased beginning next January, and the States would have very substantial savings when the Federal program goes into effect. In

other States, however, payment levels exceed the Federal guarantee levels which under the committee bill would be $140 for an individual and $210 for a couple. And even in States now paying less than $140 and $210, individuals and couples with special needs may be receiving higher payments.

When the Congress enacted the SSI program it wanted to improve the lot of the needy aged, blind, and disabled. It certainly did not intend for thousands of them to find their payments cut when the new program went into effect. The committee bill, by increasing the SSI guarantee level and by covering essential persons now on the rolls, will go a long way toward preventing a cut in their payments. These two committee amendments would cost $425 million more in 1974 than the $3.8 billion already contemplated in Federal expenditures. In view of this huge Federal investment, the committee felt it appropriate to require States for at least 1 year to assure that no current recipient would have his payments reduced when the SSI program goes into effect next January. We accomplished this in the committee bill by saying that States not providing this required supplementation of SSI benefits would not be entitled to Federal medicaid matching funds in calendar year 1974.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

Federal administration of the new supplemental security income program will require the hiring of a substantial number of new Federal employees. The Secretary of Health, Education, and Welfare testified on June 19 that about 8,000 new employees have already been hired and that another 7,000 will be hired over the next 6 months. At the same time many States will no longer be administering an assistance program for the aged, blind, and disabled, and State and local employees now working in the programs of aid to the aged, blind, and disabled in these States will no longer have their present jobs when the new SSI program goes into effect next January.

The committee bill includes a provision brought up for our constitution by Senator RIBICOFF, under which the Secretary of Health, Education, and Welfare, in hiring Federal employees for the new SSI program, will provide a preference in employment to qualified present State and local employees who will be displaced when the new SSI program goes into effect.

DETERMINATION OF BLINDNESS

In the present State programs of aid to the blind, Federal law permits the determination of blindness to be made either by a physician skilled in diseases of the eye or by an optometrist. The committee bill would add a similar provision for determining blindness under the SSI program. This matter was proposed in committee by Senator DOLE.

PASS-ALONG OF SOCIAL SECURITY BENEFIT INCREASE TO AID TO FAMILIES WITH DEPENDENT CHILDREN RECIPIENTS

Under present law if social security benefits are increased, recipients of aid to families with dependent children who are also social security beneficiaries find their AFDC payment reduced one dollar for each dollar that social security benefits are increased. To assure that AFDC recipients who are also social security beneficiaries receive the benefit of the social security cost of living increases provided in the committee bill, the committee bill would also require States, in determining need for AFDC to disregard 5 percent of social security income. This provision was brought up in committee by Senator RIBICOFF.

SOCIAL SERVICES REGULATIONS

Last year the Congress was very concerned about the social services program, whose costs at that time were going completely out of control. We responded by putting a $2.5 billion limitation on Federal funds for social services. We acted in good faith, intending to provide the States a fair opportunity to use their share of the $2.5 billion for social services.

In May of this year, the Department of Health, Education, and Welfare published new regulations. Our committee hearings, in which Senator MONDALE played a leading role, showed the committee that the regulations are far out of line not only with our actions last year, but also with the provisions of the Social Security Act itself.

Let me give some examples. Last year the Congress raised the Federal matching percentage for family planning services both for welfare recipients and for persons likely to become dependent on welfare. In the section limiting Federal matching for social services, we listed family planning as a high priority service which can be provided to persons regardless of whether or not they are on welfare. Yet the HEW regulations permit Federal funds for services to persons not now on welfare only if they "are likely to become applicants for or recipients of financial assistance under the State plan within six months." With this kind of time limitation, either no family planning services can be provided to persons not now on welfare or else the only kind of family planning services for which Federal matching would be available in such a case would be abortion.

Another example: Federal law requires its States as part of their AFDC program attempt to establish the paternity of children born out of wedlock and to locate fathers who have deserted their families and try to collect support payments from them. All of these activities require legal services. Yet the HEW regulations provide for Federal matching of legal services only when they involve "solving legal problems of eligible individuals to the extent necessary to obtain or retain employment."

Another example: Last year's legislation limiting social service funds included in its list of high priority services those services provided to drug addicts and alcoholics "as part of a program of active treatment." Yet the HEW regulations say the Federal Government will not pay for medical treatment of alcoholism or drug addiction.

Another example: Last year's law also listed services to the mentally retarded as a high priority item. Despite this statutory priority, services for the mentally retarded are not specifically included in the list of services allowable under the new regulations.

The list could go on and on. In any case, the committee felt that the new regulations scheduled to become effective July 1 were so out of step with the clear requirements of the statute and with congressional intent that the Congress should have an opportunity to review both the prior and the new regulations to see what kinds of policy should be written in law rather than left for regulatory interpretation. The committee bill, therefore, provides that no new social services regulations would become effective before January 1974. By that time, the Congress will be able to consider statutory changes in the provisions of law affecting social services.

MEDICAID AMENDMENTS PROTECTING MEDICAID RECIPIENTS FROM LOSS OF ELIGIBILITY

If the Congress does not act, several categories of persons now eligible for medicaid will lose their eligibility next year. The committee amendment would protect these persons against loss of medicaid eligibility.

I have already mentioned that "essential persons"—typically the spouse under age 65 of a man over 65—will be made eligible for supplemental security income payments under the committee bill. Another provision of the committee bill will assure that no essential persons who are currently eligible under the medicaid program lose their medicaid eligibility. The current medicaid eligibility of persons in medical institutions would also be retained under the committee bill, as would the medicaid eligibility of blind and disabled medically needy persons.

EXTENSION OF 1972 MEDICAID SAVINGS CLAUSE

Last year's social security bill contained a savings clause continuing medicaid eligibility for persons who would otherwise lose their eligibility because the 20 percent social security increase in 1972 raised their incomes above the eligibility level for cash assistance payments. This savings clause, presently scheduled to expire October 1974, would under the committee bill be extended through June 1975. The committee felt this extension would permit the Congress a better opportunity to deal with the issue of loss of medicaid eligibility.

The provisions to protect and extend medicaid eligibility would cost an estimated $150 million in Federal funds in 1974.

REPEAL OF LIMIT ON NURSING HOME PAYMENTS

Last year's social security bill includes a section limiting to 5 percent the annual increase in allowable average per diem cost for skilled nursing home and intermediate care facilities. The committee feels that this provision is difficult to administer, inequitable, and, most importantly, inconsistent with our desires to have the quality of care improved. The committee bill would, therefore, repeal this provision. Senators TALMADGE, CURTIS, and DOLE had cosponsored this provision.

MATERNAL AND CHILD HEALTH PROJECT GRANTS

Under present law 50 percent of appropriations under the maternal and child health program go for formula grants to States; 40 percent are for special project grants; and 10 percent for research and training grants. The project grant authority is scheduled to terminate on June 30 of this year, after which 90 percent of the funds appropriated will be for formula grants to States. The committee bill includes a provision proposed by Senator MONDALE which would extend the authorization for project grants for another year, and would assist orderly budgeting by grantees by providing for a transition to a State-coordinated program.

Let me return now to the debt provisions as passed by the House. The bill provides an extension of the present statutory debt limit of $465 billion from the first of July through November 30 of this year—a simple 5-month extension.

The committee examined the administration's projections of the required debt level through November and found that given a $6 billion cash balance, the present limit of $465 billion was exceeded on only two occasions, the end of August and the end of November. On these two occasions, the debt did exceed this $465 billion limit by only $2 billion. With an operating cash balance of $4 billion, instead of $6 billion, the Treasury figures indicate that the $465 billion limitation will be satisfactory. This is a tight limit, but it is one which the Treasury Department acknowledges it can live with.

Both the House and the committee believe that there has been too much variation in budget figures in recent months to justify providing an increase in the debt limit to $485 billion for the entire fiscal year 1974 as requested by the administration. The inflation we have experienced this year has been severe and has caused unusually large increases in both our gross national product and other measures of our economic growth.

The gross national product increased by 14 percent on an annual basis in the first quarter which represented an 8 percent increase in real economic growth and a 6 percent increase in prices. This caused the Treasury to up its own estimates of receipts substantially and caused it to decrease its estimates of the deficit for the fiscal year 1973—the year already almost over—by $7 billion and to decrease its estimate of the deficit in the fiscal year 1974 by $10 billion. With this type of rapid change in estimates, we cannot provide a satisfactory debt limitation for the entire year at this time.

In addition, since we do not have a satisfactory device such as that proposed by the Joint Committee on Budget Control to help the Congress in controlling budget expenditures, we must do the best thing we can by using the debt limit for this purpose—as weak a reed as it is, although another provision I will tell you about in a moment should give us further help in this regard.

MODIFICATION OF LIMITATION ON OUTSTANDING LONG-TERM BONDS

The committee also agreed with the House in approving an adjustment in present law which permits the Treasury Department to issue up to $10 billion in long-term bonds at interest rates above the statutory limit of 4¼ percent.

This exception from the interest rate limit was enacted 2 years ago, and presently, there are $8.4 billion in these long-term bonds outstanding. Approximately half of this total, $3.9 billion, is held by Government accounts and the Federal Reserve System. These holdings reduce the ability of the Treasury to issue these bonds to the general public where there is a continuing market for this type of security.

The adjustment reached was to exclude from the $10 billion exception the holdings by Government accounts of these long-term bonds. As things now stand, it really is meaningless to include Government account holdings within this limitation, since most of them are limited to a rate of interest equal to the average market yield on outstanding marketable securities. This is the only limitation needed on these securities.

The committee action, therefore, frees a substantial amount of the $10 billion limitation for public holdings. This should enable the Treasury Department to lengthen the present average maturity on the public debt, which is 3 years, and to reduce the frequency with which the Treasury Department has to return to the money market for refunding operations.

This, of course, does not represent an approval for the Federal Government to pay high interest rates. Rather, its purpose is to make it possible for the Treasury Department to sell a limited amount of long term bonds to the public at competitive interest rates.

REFUND CHECK-BONDS

The committee also approved a House provision granting the Treasury Department authority beginning next January 1 to make refunds on overwithholding of individual income tax payments with a so-called check-bond. This will automatically become the equivalent of a Series E savings bond if the taxpayer does not cash the check within the period before the first interest payment for bonds begins. This form of savings bond was developed to provide the Treasury Department with an additional tool to encourage taxpayers to continue saving overwithholding at a time when the immediate spending of the tax refunds could add dangerously to the high levels of inflation.

All refund checks due on returns filed on time will in the case of calendar year taxpayers carry an effective date of January 1, even though issued on April 15. If the checks are not cashed by July 1, they will automatically become savings bonds and earn interest from January 1 at the rate now applicable for Series E savings bonds. From that time until the bond is redeemed, it will possess all of the characteristics of a Series E bond.

EXPENDITURE LIMITATION

While the committee recognized that the extension of the present debt limitation for 5 months helped Congress to exercise some control over the budget, it did not consider this sufficient control. As a result, the committee added an amendment providing an expenditure ceiling for the fiscal year 1974 together with a procedure for allocating any reductions this ceiling makes necessary. This limit was proposed in committee by Senator ROTH.

Under this limit, with a series of specific exceptions for uncontrollable items, any cutbacks in expenditures are to be made on a pro rata basis. This is the procedure the Senate decided last year was the procedure it desired to follow where impoundments were necessary in order to decrease total spending. This spending ceiling and the allocation procedures are the same as the provisions in S. 373, and the provisions added by the Senate in H.R. 6912, both of which have passed the Senate. There is, however, one variation in the spending ceiling from the two measures I have just referred to. The spending ceiling in both of those measures was $268 billion. Because of the social security increases provided in this measure, the committee has increased this total by $700 million to $268.7 billion.

The categories with respect to which no impoundments are to be made are the funds available for interest payments, veterans benefits and services, payments for social insurance trust funds, public assistance maintenance grants and supplementary security income payments under the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries. In no event is the authority made available under the debt ceiling to be used to impound funds for the purpose of eliminating a program whose creation or continuation has been authorized by Congress.

IMPOUNDMENT PROCEDURES

In addition to the expenditure ceiling, the committee added a provision setting forth impoundment control procedures. These are identical to the Ervin amendment, and were proposed in committee by Senator RIBICOFF.

In brief, this impoundment procedure will require submission to Congress of a special message by the President announcing each impoundment. These impoundments will be reviewed by the Comptroller General who will advise the Congress whether the impoundment conforms with the Antideficiency Act and, therefore, is provided for by present law. If it does not, unless the impoundment is approved in whole or in part by a concurrent resolution passed by both houses of Congress within 60 days of the special message, then the impoundment must cease, and the expenditure of the impoundment becomes mandatory. In addition, further impounding of the same funds is precluded.

In the event the administration fails to report impoundments of budgetary authority, the Comptroller General is to report this action to the Congress, and this impoundment then is subject to the same procedures as I have just described.

The Comptroller General is to represent the Congress in the U.S. District Court for the District of Columbia in order to enforce the anti-impoundment provisions. In this action, he is to employ attorneys of his own choosing.

I do not believe that it is necessary for me to detail the reasons already presented so extensively on the floor of the Senate as to the need for this impoundment procedure and also the spending limit. The Senate has already expressed its views on this subject in an affirmative manner on two other occasions. I urge the adoption of the committee amendment.

SOCIAL SECURITY INCREASE

Mr. RIBICOFF. Mr. President, today we are considering a proposal which will assure 28 million Americans that they will not suffer loss of their income by inflation. This proposal—a 5.6-percent social security increase—would assure that social security beneficiaries receive a benefit increase in January of 1974 to cover the increased cost of living between June of 1972, when the last social security increase was enacted, and now.

In the last few years Congress has taken the lead in assuring older Americans of a more adequate retirement income. In 1972 we enacted a 20-percent social security increase—the largest single increase in history. And we enacted a cost of living escalator to assure that benefits would keep up with inflation. Congress decided to delay the effective date of the escalator clause until 1975.

Unfortunately, the steep pace of inflation in the last year has wiped out a large part of the 20-percent increase and we cannot expect older Americans to wait until 1975 for another increase.

For that reason I introduced S. 2025 on June 20 to move the effective date of the social security escalator forward from January 1, 1975 to January 1, 1974. That bill already has been cosponsored by 22 Senators (LONG, CHURCH, MONDALE, KENNEDY, HARTKE, PASTORE, HUMPHREY, NELSON, PELL, EAGLETON, MCGOVERN, ABOUREZK, INOUYE, STEVENSON, BAYH, MOSS, CANNON, HART, BENTSEN, JACKSON, BROOKE, and COOK).

The next day the Finance Committee met in executive session and I expanded my proposal. I proposed a flat 5.6-percent social security benefit increase to become effective in January of 1974.

It is imperative that this provision be enacted as soon as possible. Despite the social security benefit increases of the past few years, social security benefit levels are still not adequate.

Social security benefits for millions of older Americans—even with the 20-percent increase enacted last year—still fall below the Government's own poverty benchmar. Average annual payments for retired workers amounted to $1,944 in 1972, nearly $40 below the poverty threshold for single aged persons. For widows, average benefits were more than $320 under the impoverished standard.

And benefits have not kept pace with inflation.

Property taxes have jumped by nearly 39 percent in the last 4 years, nearly twice the overall increase in the Consumer Price Index. And the impact has been especially severe for the aged because early 70 percent own their own homes.

Public transportation costs have risen by over 33 percent during this same period. Here again, senior citizens are hard hit since many must rely on public transit instead of private automobiles.

Food prices have gone up by at least 34 percent in the 4-year period. This is tragic for the elderly who spend 27 percent of their income for food as compared to 17 percent of all Americans. And medical care costs—a significant cost factor to the aged—have increased 36 percent.

And all of these price increases have been escalating even more rapidly in the last few months.

It is unconscionable for us to let prices skyrocket out of sight while millions of older Americans are denied an increase in social security benefits.

This 5.6 percent increase in benefits would not require an increase in the social security tax or the taxable wage base. It would be financed completely out of the large surplus in the social security trust fund.

The other Finance Committee amendments to the debt ceiling bill are also important.

THE SOCIAL SECURITY PASSTHROUGH

This amendment, which I proposed in the Finance Committee and was adopted assures that recipients of aid to families with dependent children who are also social security beneficiaries receive the benefit of the 5.6-percent increase. Under State law, welfare benefits are reduced when social security benefits are increased. In the past many recipients of the social security benefit increase have actually suffered reductions in income despite benefit increases. This would be prevented by our provision requiring States, in determining need for AFDC, to disregard 5 percent of social security income.

SUPPLEMENTAL SECURITY INCOME PROGRAM

The Social Security Amendments of 1972 established a new Federal supplemental security income program to replace present public assistance programs for the aged, blind and disabled. We approved an increase in the benefit levels of the new program from $130 to $140 for single persons and from $195 to $210 for a couple. This will help the aged poor toward a more adequate income.

We also required States to supplement the SSI payment levels for the first year of the program—1974. This would assure that recipients in States like Connecticut do not suffer a cutback in benefit payments. Under present law States had the option to supplement. While it is expected that most States will make supplemental payments, many of them did not have the opportunity in 1973 to pass State legislation permitting supplementals. This amendment will assure recipients of continued benefits and give the States an additional year to enact the necessary enabling legislation.

EMPLOYEE PROTECTION

I am pleased that the Finance Committee has recognized the need to provide protection for State and local welfare employees during the transition of welfare programs for the aged, blind and disabled from State and local jurisdiction to Federal jurisdiction.

The Finance Committee has accepted, in modified version, my legislative proposal to protect these employees by giving them preference in hiring for the new SSI program. The rights of these employees—including seniority, leave, pension, salary must also be protected to the maximum possible extent.

I urge my colleagues to support the Finance Committee amendments to this debt ceiling legislation.

UNANIMOUS-CONSENT AGREEMENT FOR TIME LIMITATION ON THE CONSIDERATION OF NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent, having cleared this request with the leadership on both sides of the aisle and with the principal Senators involved, that at such time as the nomination of Mr. Kelley to be Director of the FBI is laid before the Senate, there be a time limitation thereon of 30 minutes, to be equally divided between and controlled by the chairman of the Committee on the Judiciary, the Senator from Mississippi (Mr. EASTLAND) and the ranking minority member thereof, the Senator from Nebraska (Mr. HRUSKA).

Mr. GRIFFIN. Mr. President, reserving the right to object, and I do not intend to object, I wonder if the distinguished majority whip can indicate, is it the expectation that this nomination and the nomination of Mr. Schlesinger to be Secretary of Defense will probably be considered tomorrow?

Mr. ROBERT C. BYRD. It is the hope of the leadership that the nomination of Mr. Kelley will be considered tomorrow, and if the situation permits that the nomination of Mr. Schlesinger will also be considered tomorrow.

Mr. GRIFFIN. I appreciate that advice, and certainly would have no objection to the unanimous-consent agreement, either on this nomination or the one to follow with respect to the nomination of the Secretary of Defense, and I hope that they will be considered as soon as possible.

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

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that at such time as the nomination of Mr. Schlesinger for the office of Secretary of Defense is called up and made the pending question before the Senate, there be a time limitation thereon of 1 hour and 30 minutes, to be divided as follows:

Fifteen minutes to be under the control of the distinguished Senator from Missouri (Mr. SYMINGTON);

Fifteen minutes to be under the control of the distinguished Republican leader or his designee;

One hour to be under the control of the distinguished Senator from Wisconsin (Mr. PROXMIRE).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and 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. 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.

UNANIMOUS-CONSENT AGREEMENT FOR TIME LIMITATION ON H.R. 8152, THE OMNIBUS CRIME CONTROL AND SAFE STREETS BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 8152, the so-called omnibus crime control and safe streets bill, is called up and made the pending business before the Senate, there be a time limitation thereon as follows:

Three hours on the bill and a substitute to be offered by the distinguished Senator from Arkansas (Mr. MCCLELLAN);

One hour on any amendment in the first degree;

One-half hour on any amendment in the second degree, debatable motion, or appeal;

I further ask unanimous consent that the agreement be in the usual form.

I ask unanimous consent also that the time for debate on the bill and the substitute be equally divided between the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from Nebraska (Mr. HRUSKA).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR EXECUTIVE SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the orders for recognition of Senators have been consummated, the Senate go into executive session to consider the nomination of Mr. Kelley to be Director of the FBI.

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

ORDER FOR RESUMPTION OF THE UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of the nomination of Mr. Kelley tomorrow, the Senate return to the consideration of legislative business and resume the consideration of the unfinished business, the debt limit.

The PRESIDING OFFICER. 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. 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.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at a very early hour, 9 o'clock a.m., following a recess.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. NUNN, Mr. TOWER, Mr. ROBERT C. BYRD, and Mr. MCINTYRE.

There will be no morning business. Upon the conclusion of the orders aforementioned, the Senate will go into executive session to consider the nomination of Mr. Kelley to be Director of the Federal Bureau of Investigation, with a time limit thereon of 30 minutes. It is anticipated that a yea-and-nay vote will occur on the nomination.

Upon the disposition of the Kelley nomination, the Senate will return to the consideration of legislative business and resume consideration of the unfinished business which is H.R. 8410, the extension of the debt limit. Yea-and-nay votes will occur on that bill tomorrow.

It will be a busy day. Senators are alerted to the fact that the leadership may wish to proceed on a multiple track if the situation requires, from time to time.

As to what items may be called up on Wednesday, Senators will want to be prepared for any one or more of the following, in addition to those already mentioned:

The nomination for Secretary of Defense. S. 343, the Federal elections bill. H.R. 7445, the Renegotiation Act. H.R. 8152, the omnibus crime bill. S. 1435, the D.C. home rule. The agriculture appropriation bill. Various and sundry conference reports.

As to the schedule for Thursday, Friday, and Saturday, Senators will want to be prepared for any of the foregoing items not completed on Wednesday:

The continuing resolution, and the HUD appropriation bill.

RECESS TO 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9 a.m. tomorrow.

The motion was agreed to; and, at 8:01 p.m., the Senate recessed until tomorrow, Wednesday, June 27, 1973, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 26 (legislative day of June 25), 1973:

DIPLOMATIC AND FOREIGN SERVICE

William D. Brewer, of Connecticut, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan.

Richard F. Pedersen, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

OFFICE OF ECONOMIC OPPORTUNITY

Alvin J. Arnett, of Maryland, to be Director of the Office of Economic Opportunity.

EXTENSIONS OF REMARKS

TRUTH IN HOUSING ACT

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1973

Mr. RIEGLE. Mr. Speaker, today I am introducing the Truth in Housing Act; Senator HART has introduced an identical bill in the Senate. The purpose of the bill is to ensure that the American home buyer has all the facts at hand before entering into the actual purchase of a home.

In the past, Congress has enacted numerous truth-in-packaging and truth-in-lending laws. Today, I introduce a bill to extend that approach to still another field—the field of housing.

The caveat of "let the buyer beware" has long been connected with the sale of housing.

But we are coming to realize that too many unhappy homebuyers have been given that answer after discovering an unsuspected defect in a newly purchased house.

A positive response to such situations would be a truth-in-housing law requiring that a prospective homebuyer be told the structural condition of the unit before the sale.

Recent investigations of Federal housing programs have highlighted the need for such an approach.

In one study of units sold under the 235 subsidy program, the General Accounting Office found defects in 24 percent of the new houses inspected and in 39 percent of the existing houses.

Accurate information on the structural condition of those units might have saved Government dollars by avoiding mortgage guarantees and subsidies on houses which are good candidates for abandonment.

Reliable consumer assistance would not just benefit the lower end of the economic scale. Factual information on de-